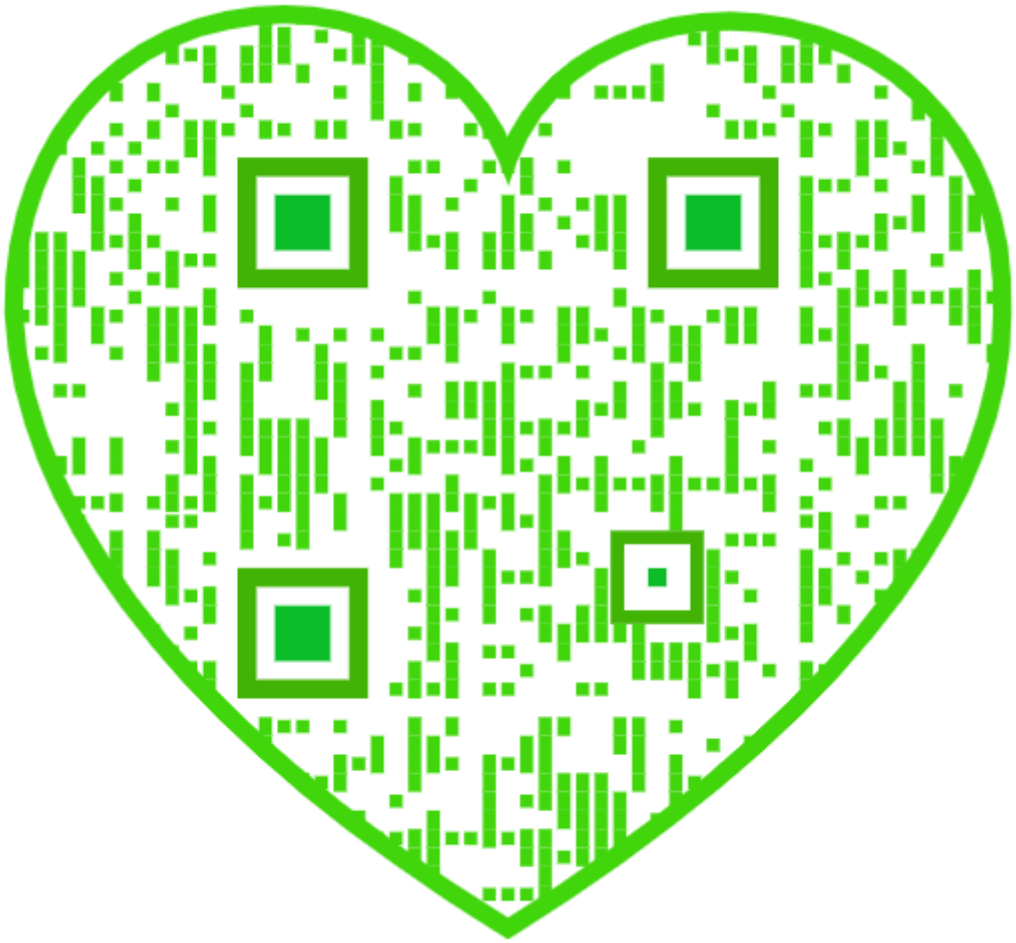

ECONOMICS AS THE BASIS OF LIVING ETHICS

A STUDY IN SCIENTIFIC SOCIAL PHILOSOPHY

BY

JOHN G. MURDOCH, A. M.

Former Mental Science Fellow, Princeton

Professor of the English Language, Rensselaer Polytechnic Institute

ALLEN BOOK AND PRINTING COMPANY

TROY, NEW YORK

1913

COPYRIGHT 1913
JOHN G. MURDOCH

All rights reserved,
including that of translation into foreign languages
including the Scandinavian

©Cl.A346435

To

"The People's Forum" of Troy, N. Y.

and

"The Forum" of Schenectady, N. Y.

FOREWORD

A few words as to the origin and the drift of this book may be desired.

Some six or eight years ago the writer, amid his bourgeois illusions, was caught for the first time by the alluring, the compelling quality of the great present-day questions centering about the socialistic movement. "Half-sick of shadows," aesthetic, literary, ethical, he had no wish to be duped by another will-o'-the-wisp, or to retraverse the phantoms of Plato's cave man. Gingerly at first, "letting I dare not wait upon I would," he at length found himself involved more and more. Finally he put forth, as strongly as he was able, into the theoretical confusion. Abandoning inferior guides he sought out the higher leaders. He therefore went to Marx, Engels, Kautsky, to Boehm-Bawerk, Mill, Clark, Fisher, Marshall, Hadley, Fetter and the like. After having absorbed more or less of poison from Marx, he would apply antidotes derived from Fisher or Marshall. Or having mounted with Fetter into the thinnish air of psychic values, he would next with Engels, Hyndman, or Spargo make a little excursion to the edges of the squalid hovels of the poor. Or after gliding for a time among the idealities of a Wordsworth, Greene, Caird, Vaughan, or Leo, he would seek refreshment in an antiseptic bath from the springs of a Prudhon, Bebel, Belfort Bax, Dietzgen, Blatchford, or would lull himself a while with the words of an "Appeal to Reason."

The more he found himself inclining to socialistic philosophy, the more carefully he readvised with Clark, Boehm-Bawerk, Hadley and other modern orthodox leaders. The attempt was made to treat each guide with utter skepticism, to hear a Marx through a Boehm-Bawerk, a Clark through an Engels. Essentials were to be distinguished from chaff.

Naturally such a course must have thrown up a number of questions, seemingly fundamental, which had to be answered somehow, if even temporary security were to be obtained. Among these questions, some were "purely" economic, some "purely" historical, some "purely" ethical, but topping all was the great question, the dependence of human social development, especially on the ethical side, upon fundamental economic needs.

This book contains the writer's attempt to answer some of the questions which insistently forced themselves upon him. A number of his friends found some value for themselves in what he had written. He himself, assured that there were many others who were putting like questions in a like skeptical attitude, easily made himself believe that these pages might be of aid somewhere, even if they express no more than a kind of sympathy. Hence in part, the publication of this book.

The chapters were originally prepared, and in part delivered, as lectures to "The People's Forums" of Troy, N. Y., and Schenectady, N. Y. They form a continuous discussion of the dependence of ethics upon economics from the viewpoint of Marx's conception of history. First comes the Marxian idea; next, its application to theories of property and to ethics; the ethics of profit and interest lead to a criticism of modern economics theory, first on the side of production, Prof. Clark being taken as typical; next, on the side of exchange, psychological economics being shown to be largely circular; economics are sought in Kant as typical of the absolute moralists; finally, a somewhat wider discussion of ethics and economic determinism, touching also on other outputs of human consciousness.

Social unrest exists throughout the civilized world; the demand for "social justice" becomes insistent; ancient ideals are crumbling; political parties are disintegrated; old-line leaders are nonplussed; arguments fill the air; the soap box has sounding boards as well as the pulpit and the rostrum; there is great mental confusion. Much of this confusion arises from the fact that the contestants occupy different grounds

and wield different weapons. Some will have only statistical facts, history, positive knowledge; others know only ideals, abstract principles, ethical and religious beliefs, "the teachings of the fathers." Typically, ethics and economics are pitted against each other. The following articles attempt to introduce a principle of order into this confusion.

The lectures and essays assume that the reader will take the positivist attitude. The concrete facts of anthropology, psychology, sociology, biology, history, in short, the subject-matter of modern science, must control all theories. Any metaphysical or theological principle or dogma is usually pure surplusage when in presence of the facts themselves; such principles and dogmas are reflections, they are not original data. Any reader unable or unwilling to adopt this attitude, at least for the time being, may as well lay this book aside at this very instant.

The critical judgments pronounced are intended to be without personal rancor. The writer himself has lived too long amid illusions and through some of them not to know, at least faintly, how deeply they penetrate and unconsciously mold beliefs and practices. Contradictions not less easily than mere incongruities dwell contentedly side by side in even a great man's mind. Pride married to humility knows other homes than the bosom of the Puritan. If to the reader the writer seem at times somewhat too "holy," let the reader examine first his own stock of illusions, then look again, or at least believe, 'it was not so intended'; the criticisms are meant to be strictly objective. Pronouncing judgment according to simple tests is not arrogating superiority, least of all, moral superiority.

The writer can not himself tell all the sources of his material. Occasionally acknowledgment is made, but he has not taken the trouble to mark many of the sources; his desire is that the conclusions rest, not upon "authorities," but upon the reasoning. He claims no originality; he has plundered wherever he found anything he thought available; if from the dead, then no acknowledgment is needed — 'we are all heirs of the past ages'; if from the living, and any one of these feel him-

self aggrieved, then if he will securely identify his private "original" property, the writer will gladly make what reparation he can; — otherwise, the claimant is probably a fellow-plunderer in respect to this also.

The thanks of the writer are due to "The People's Forums" of Troy and Schenectady; apart from their continued courtesy in requesting lectures, this book had probably never been written. A friend, Mr. William Nugent, was in attendance upon these articles almost from their very inception; his deep and stimulating criticisms made him their foster-father. Appreciation is tendered to Mr. Arthur M. Allen for constant sympathy and substantial aid in numberless ways. Special acknowledgment is hereby made to Professors Willard C. Fisher, Charles A. Beard, Henry R. Mussey, and to Mr. Algernon Lee of the Rand school, who, although utter strangers to the writer, with fine magnanimity consented to handle part of the manuscript critically; their criticisms led to many changes in form, and to slight changes in substance; in no particle, are they to be held responsible for the opinions expressed in the book.

Throughout the book, and especially in Chapters VI and VII, single quotation marks ('—') indicate that only the substance or a summary of the passages referred to is given. Double quotation marks ("—") indicate that the exact words of the passages are used.

The earnest reader will pardon typographical and other slips, of which there are perhaps more than enough. Notice of any important errors or flaws (even of the whole book as such) will be gladly received.

Troy, N. Y., April 15th, 1913.

CONTENTS

FOREWORD . . . . . .

Chapter. Page.

I. THE ECONOMIC INTERPRETATION OF HISTORY . 1
Content and extent of historical records, 1.—Theories of history, 3.—Economic interpretation of history, 10.—Illustration, American history, 14.—Ethical illustration, slavery, 18.—Economic determinism and socialism, 19.—Economic determinism is not the narrow economic, 21.

II. . . ETHICS AND THEORIES OF PROPERTY . . . 24
Social unrest and property, 24.—Theories of property, 25.—Critical principles must be scientific, 29.—The divine sanction is unscientific, 31.—"Intuition" is useless, 35.—Ultra-individualism is self-contradictory, 41.—Egoism and altruism, 47.—Class struggle and class consciousness, 48.

III ETHICS AND PRODUCTIVITY THEORIES OF INTEREST 57
Seeming sterility of ethical systems, 57.—Clark's ethical problem, 60.—Clark's economic problem and solution, 64.—Confusions on the economic field, 74.—Confusion of ethical tests, 99.—"Institutional robbery" and interest, 107.—Ethical purification by "functional distribution," 123.—Clark's ethics relative and transitory, 130.

IV. . . AUSTRIAN-YALE THEORY OF INTEREST. . . 136
Economics and ethics, 136.—The interest question, 142.—Boehm-Bawerk's theory of interest and reasons, 143.—"Natural necessities" confused, 150.—Boehm-Bawerk's "reasons" largely a product of existing institutions, 160.—History of loan interest, 170.—Ethical status of interest, 171.—"Cause of interest," 172.—Efficient cause of interest, 182.—Ethics of the case, 187.

V . . . . INTEREST AS EXPLOITATION . . . 189
Interest is real, 189.—Older interest theories, 191.—Meaning of

Chapter. Page.

"socially guaranteed," 199.—Exchange theories of interest, 204.—"Full pay," 209.—Marginal utility reply, 217.—Criticism of final utility, 219.—Values are impersonal, 221.—Values may be rationalized, 223.—Subjective values rest upon material and psychological necessities, 232.

VI. . . . ECONOMICS IN KANT'S ETHICS 244

Kant's person and influence, 244.—"Pure reason"; apriorism, 245.—General critical reply, 247.—The good will acts from duty, 253.—Morality rests on maxim of will, 260.—Duty is respect for law, 262.—The law is universal, 264.—Transition to metaphysic, 271.—Morality presupposes freedom, 281.—"Pure-reason" ethics and real life, 283.—"The Critique of Pure Practical Reason," 284.—"God, freedom, and immortality," 285.—"Principles of Jurisprudence," 287.—Origin of ethical finalities, 288.—Subjective and objective worlds, 288.—Sciences are groups of kindred facts plus explanatory formulas, 289.—Real necessities or dependable regularities confounded with formal necessity or consistency, 292.—Knowledge is sense data synthesized by experience, 295.—Axioms and postulates, 297.—Failure of general apriorism, 304.—Kant's ethical apriorism impossible, 305.—Other ethical systems, 307.—Religious finalities, 308.

VII. . ETHICS AND ECONOMIC DETERMINISM. . . 310

Culture and external resources, 310.—Precivilized ethics and economics, 316.—Economics and justice, 320.—Economics and the other virtues, 333.—Source-books for economic determinism, 335.—How economics become ethics, 337.—Other ethical systems, 346.—Economic determinism in other modes of consciousness, 350.—Means and ends, 360.—Ideals, 363.—Definitions of ethics and economic determinism, 368.

ECONOMICS AS THE BASIS OF LIVING ETHICS

CHAPTER I

THE ECONOMIC INTERPRETATION OF HISTORY

CONTENT AND EXTENT OF HISTORICAL RECORDS.—THEORIES OF HISTORY: DIVINE GUIDANCE; HEGEL'S EVOLUTION OF THE ABSOLUTE IDEA; INSTITUTIONS; GREAT MEN; MARX.—ECONOMIC INTERPRETATION OF HISTORY: QUOTATION FROM MARX; QUOTATION RESTATED; BOOKS ON THE SUBJECT.—ILLUSTRATIONS: DECLARATION OF INDEPENDENCE AND MAGNA CHARTA; AMERICAN HISTORY IN AND AFTER THE FORMATION OF THE CONSTITUTION; COLONIAL HISTORY.—ETHICAL ILLUSTRATION; SLAVERY.—ECONOMIC INTERPRETATION OF HISTORY AND SOCIALISM.—ECONOMIC DETERMINISM COMPLEX; IDEAL OF FUTURE SOCIETY.

Poets, utopian dreamers, divines, yes, even philosophers, have placed far back in times hoary and remote, a golden age of innocence, truth, and general happiness. This airy fabric, science has blown away into nothingness. The vice, the falsehood, the wretchedness and misery of the present hour are not the offspring of so fair and happy a parentage. Multitudes of known facts are rendered wholly inexplicable to reason on any such hypothesis of the descent and degeneration of man. On the contrary, the record of man is the record of his ascent from primeval slime through the brute up to the status of the first and highest of all known living things.

From primordial slime to the brute, and then, at some one moment in far-off ages, our forefather, our ancestral Adam burst the shell of the mere brute, man emerged, hardly distinguishable from the other anthropoids surrounding him, but still man; at that moment human history began. At that moment began the onward, upward march of that tremulous intelligence crouching for shelter under tree or bush or cave, or using them as lurking coverts to snatch with

stealth or fierce rush his prey, up to the state of the man of this hour, who fronts with open eye and questioning mind, the universe of matter and spirit, of space and time, his beginning, his end, the beginning and the ending of all things else. The record of man's passage from the brute grown conscious up to the free self-poised intelligence of to-day, his gropings, toils, achievements, passions, and triumphs, his losses and gains, his fears, fancies, and beliefs, and how with incredible toil and unspeakable sufferings he fashioned his thoughts and his desires into laws, morals, religions, institutions, and states,— this is what we call human history.

Of this total record, how little remains. Ages and ages roll away. Still the offspring of that brute Adam differs but little from the beasts competing with him, but the magic spark still glimmers, though waveringly. Ages more, the spark flickers now brighter now fainter but ever on a higher level. Age after age, age after age, h'gher levels are attained, and so after myriads of years institutions begin to emerge whose traces remain visible even to-day. In a groping, dim-eyed, brutish way these institutions are tried out; storm and restorm; the liberal and the conservative are born; they battle to and fro, scarcely knowing why or for what they are battling. Upward still they climb, from the brute to the savage, from the savage to the barbarian, from the barbarian to the semi-civilized, and then at last into the light which we now term civilization.

Thousands and thousands of years have elapsed since first this upward march began,— tens, and according to some even hundreds of thousands of years; we need not here seek all possible accuracy, but man has existed on the earth from forty to two hundred and forty thousand, or according to later authorities over a million years. Records we have for some six thousand to nine thousand years; the records of the preceding ages are lost save only what may be inferred from scattered remains of man's existence in extinct geological ages. Historical records of any considerable magnitude cover only about five thousand years.

But then again how many faceted is that record; what a complexity, what a maze, a tangle, a very welter of frenzy and folly, crime, madness, heroism, joy, suffering, love, scorn of life, scorn of death, every shade of extreme opposites which human nature is capable of; all this helter-skelters, or huddles in shapeless masses across the pages. One gasps at the enormous multitude of acts and facts, is lost in "mazed perplexity." No single mind can firmly hold all this detail,—races, nations, classes, institutions, laws, manners, and morals, all of which vary with climes, situations, and times. To the average reader the whole is motley, or else an enormous seething ferment, the mother of every possible crudity. Nor can it be otherwise in its details. For just as every material atom plays a part in the physical universe, so too in the drama of history every human being counts something towards the total spectacle. Since then all details as such surpass the power of the greatest human intelligence, it is necessary to group these details into subgroups, and to gather these subgroups into larger groups; it is necessary to fashion some scheme, idea, or concept, which shall fuse these details into a more or less comprehensible whole. Only thus can order arise in the vast disorder, only thus from the chaos can come a cosmos. Such an idea, scheme, or concept, constitutes an interpretation of history. It is the intention here to make mention of some of these schemes, and especially to call attention to the latest and most important of them all.

THEORIES OF HISTORY

The assumption is,—man evolved from the brute. The theory of the golden age, the original perfection of man, simply makes history and the progress of men unintelligible. It runs counter to the whole trend of modern science. Man then emerged from the brute, ignorance within, beast and brute without. But even as to-day an animal shows by its action its recognition of an outer force superior to its own, so rising man did the same. In time he came also to recognize in himself something which we now call personal initiative;

he was himself somehow a center of power, he himself was a cause from which results flowed. In the end he tried to explain natural events in a similar fashion. Hence he clothed all nature with powers like his own. He peopled wood, forest, mountain, stream, and lake. In all the manifestations of fire, flood, storm, sunshine, growth, decay, he saw the effects of beings similar to himself. Stronger minds "sate brooding o'er this abyss,"—and so came at last the concepts which gave us in the end the concept of deity in all its shadings.

After achieving existence, this concept achieved independence. It then functioned backward as indicating the primal cause of all things. Hence history became a field for the exercise of the divine. Crudely enough at first the idea would be worked out. The gods stood apart from man, benevolent influences, malevolent powers, Ormudz and Ahriman, deities and devils. They fought their own fights, and used mankind as playthings or as tools of their plans. Or, again, as external agents, they directed the course of human events in accordance with their purposes or caprices respecting man's good and their own. Hence fetishism, totemism, mythologies, Homer, Herodotus, the Greek dramatists, local and state religions, and all sorts of religious cults. We do not seek here all possible accuracy. The simple idea is that the concept of the divine regulation of human affairs was purified in its passage from fetishism to monotheism and that this concept lives in full vigor at the present hour.

Every country and age will illustrate the power of this concept. The example most familiar to us all is the Jewish theocracy of the Old Testament. The Jewish people are there represented as the chosen people, the immediate and peculiar care of God. Through His chosen instruments and servants, Moses, Joshua, the judges, kings, and prophets, He saved His people out of captivity, led them through the wilderness, delivered on Mount Sinai to Moses, with whom He talked face to face, the tables of the law, and through Moses and his successors, established and maintained the theocracy

of Israel. Throughout the entire story, Israel is constantly represented as always more or less under the immediate direction of God. No pious Jew can doubt that the history of Israel at least was divinely directed, whatever the meaning and purpose of the history of other nations. Naturally such an interpretation must have spread wherever Jewish religious conceptions took vigorous root. Hence, Christianity and Mohammedanism are permeated with the doctrine. The thought works in full vitality throughout our whole civilization.

As a doctrine, the divine guidance of history has elements that lie in two different regions, the region of faith and the region of knowledge. In the region of faith, it is open to every believer to entertain the thought that the divine power directs the course of history. To faith, the motley of human history undoubtedly has a plan and scope which to proper intelligence would be perfectly intelligible. But then to faith "God moves in a mysterious way, His wonders to perform." How, why, by what means can not be fathomed, for "the ways of the Lord are unsearchable, past finding out;" "clouds and darkness are His throne." By hypothesis, He is supreme intelligence whose ways and purposes, so far as definiteness goes, are utterly inscrutable. We may bow the head in humble reverence, we can not presume to interrogate. As a workable scheme in the walks of human knowledge, the divine guidance of history is unavailing. The maze remains not less a maze to us, even though we believe that to others of perfect intelligence the maze is perfectly transparent. And in this condition we must leave the subject. Faith may ease the heart; it does not furnish a workable formula to solve history's problems.

As men progressed in refined intelligence, many found unsatisfactory the concept of God as a huge being placed outside the universe, now and then with a push setting it right, or as with the Jews, occasionally straightening out superhuman tangles. Such a conception seemed derogatory to the divine perfection. Creation seemed too much like a bungle. Hence the more refined and abstract view, that God

governs and directs the entire physical and spiritual universe by general laws. His work is perfect from the outset. He sees all things from the beginning. He needs not, like the puny artificer man, make a trial here, a patch there, or rectify mistakes as they occur in actual experience. By no means. Foreseeing all possibilities from the very first, His plans and purposes are so framed as to realize themselves infallibly by the very qualities and laws of the things which He himself formed. He wills perfectly to a perfect result. But God is moral perfection. Hence, too, moral order must pervade the universe. History itself is shot through and through with this moral order. Hence, to learn this moral order we must study history, which in turn is cleared and becomes explicable from the existence of moral order and general laws.

Again it is not the purpose here to contest these propositions. As before, there is the region of religious faith, and the region of working knowledge and reason. Tennyson in his great "In Memoriam" has traversed the entire ground. In his own words, "We have but faith, we can not know;"—"Oh yet we trust that somehow good will be the final goal of ill;"—"That nothing walks with aimless feet;"—and that there is "One far-off divine event, to which the whole creation moves." So clear to faith is "the one far-off divine event," that the multiplex of history is no longer without form, no longer without meaning and purpose, and thus not without a pervasive principle of interpretation. But to mere human intelligence, the concepts of morality and "one far-off divine event" are too general. You can not descend into the arena with such weapons as these. They leave the enormous multitude of concrete historical facts as unworkable, as intractable, as discordant, as if divines, philosophers, and poets had never labored to such superb results as Tennyson's "In Memoriam."

It were quite possible to dwell upon other phases and shadings of these two conceptions of history, such as "Fate," "Destiny," "The Logic of Events," and so on, but we pass to something seemingly less high and remote, to man himself.

For, after all, man as man,— the very meanest of all mankind,— is a prodigy, well nigh a miracle. Man has somehow arrived. Reason, emotion, conscience, will, are somehow here in time and space within us all. Often you have heard of the dignity and worth of man. Often you have heard of his inalienable rights, and often, doubtless, because of cruelty and injustice, your passions have been aroused, your nerves tingled, your temples throbbed, your hearts hammered in your chests, your whole man was as a coiled compress, as a caged thunderbolt, and you felt then man's worth indeed. Man then has somehow arrived. Whence this miracle, man and why? You would understand his course and destiny.

Go, then, to Hegel's "Philosophy of History," "the crowning achievement of a comprehensive intellect." Says Hegel in effect (Morris): "We see in universal history a drama in which nations are the actors. The theme of the drama is human character. The Philosophy of History undertakes to pass in review the drama as a whole, to discover the final cause, to demonstrate its motive, to indicate its significance. * * * The true subject of development is especially the human spirit. This spirit viewed according to its essential nature as defined in the notion of freedom, this is the fundamental subject of universal history, and hence also the guiding principle of development, * * * as also conversely, historic events are to be viewed as products of this principle, as deriving only from it their meaning and character. * * * Universal history is the unfolding of spiritual being in time, as nature is the unfolding of the divine idea in space, * * * history is progress in the consciousness of freedom."

There you have it. The maze of history is untangled, the formula is secured. "History is progress in the consciousness of freedom:" conversely, "historic events are to be viewed as products of this principle, as deriving only from it their meaning and character." Do you not catch the idea? Take, then, this abstract idea of freedom down from its lofty heights into the sweaty tumult. Explain with it how man comes to

enslave his fellow-man through all the ages; explain by it the origin, continuance, and growth of despotism, state, social, legal, religious. Explain with this principle the million-sided, multi-colored spectacle of human history in all its innumerable concrete details. Absurd. The weapon is as air grasped by the hand. It is as if a man were to predict a chemical combination by means of abstract conceptions of space, time, matter, motion, law, mathematics, cause, and effect. The laws of material objects are found only by long, careful observation of the objects themselves. The laws are inductions from experience. Man and men are not less real objects than are material things. As little can law be read into man as into material objects.

Hegel's formulation seems simple enough. Determine upon some purpose or motive as adequate or important. Read history to find illustrations, then declare this motive to be the real driving power. And in effect this is what Hegel seems to do. He pitches for various anterior reasons upon freedom. And then he reviews universal history, weaving picturesque expressions together concerning the spiritual, the absolute, and freedom, garnishing the whole with multitudinous biblical phrasings, all tending to show how fine was Hegel's eye for a phrase.

As a test for the concrete realities of history, of the sweating, fighting warriors, of the fiercely or gently loving and lusting men and women, of the ceaseless struggle for bread and wealth, it is perfectly evident that "man coming to realize his freedom" or "the unfoldment of reason in its progress of self-consciousness, freedom and self-realization," — such phrases will not fill the bill. Fine they may be as an appendage to an abstract a priori philosophy, but they afford not a glimmer of light over the real complexity of the real maze of the history of real men and real women. They represent a product rather than a cause.

Another view: History is explained as both the consequence and the cause of human institutions, especially those of the state, the church, the legislature, the family, the courts, the

police, and similar organizations. Yet these are but infants in age. Only a few thousand years ago, and not one of these institutions existed. What of the milleniums before they came? And how did these institutions themselves come into existence?

Or, again, since, after all, men are real objects that act and react upon one another, and since history also at bottom is but a record of the achievements of man, and, further, so wonderful has been the part played on the stage by some men, that still another school are wont to explain all history as the result of the actions and reactions of its great men. The course of history is determined by its Alexanders, Caesars, Pope Hildebrands, Lincolns, and so on.

Evidently we here leave the realm of abstract ideas and come to palpable realties which we touch more or less closely every day. For it does make a great deal of difference to each of us what the structure of the state may be, what the temper of the army is, what the law reads, how judges and the police enforce the law, what the school and the church may be, and whether we have to do with an Alexander, a Caesar, a Napoleon, a Washington, or a Lincoln. These things are not ghostly abstractions. They are force-bearing realities.

The mass of the great histories belong to one or other or both of these classes. Doubtless in all of them you will likewise find reference to the divine guidance, to moral order, and even to the goal of the unfoldment of reason toward self-realization and freedom. But for the most part, you find events traced to the power of the state, to policy, to law, to the army, to this means or to that, to this folly or that. In the thronging historical procession, every fancy, folly, vice, and virtue has full swing,— save only that they are directed more or less by the long molding, yet every changing power of ideas and purposes embodied in great men, and in institutions of all sorts and kinds.

Grand and satisfying as these ideas are, satisfying because they deal with genuine realities and concrete truths, they still can not be final. Consider the myriads of ages of

man's existence on the earth. It is perfectly certain that the state, the family, property, and law were once not at all what we mean by these words. Our institutions of the state, the family and so on are but infants in point of time. What of human development before our present institutions existed? Other institutions? But whence again those institutions? They did not drop from Hegelian clouds, nor spring seedless from the earth. Nor has an idea or a truth merely to be announced to find immediate acceptance and opportunity for self-development. On the contrary, institutions and ideas have to fight for life not less than the meanest fungi and the highest vertebrates.

Come from the school of Hegel, Karl Marx some sixty years ago, in the early forties, reviewing critically Hegel's "Philosophy of the State," swept back from Hegel's ghostly concepts into the very thickest turmoil of driving realities. He found the state, the family, law, institutions, and even consciousness itself to be rooted and bottomed on economic ideas and relations. The economic interpretation of history was born. Not, of course, that others before Marx had not had similar thoughts. Only this, Marx was the first to use the thought masterfully. The tools to the user,— Marx is the true father of this doctrine.

MARX'S INTERPRETATION OF HISTORY

In the famous Preface of his "Critique of Political Economy" Marx wrote in 1859: "In social production in life, men enter into relations, definite, necessary, and independent of their wills, relations of production which correspond to a definite grade of the development of their material productive powers. The totality of these relations of production forms the economic structure of society, the real basis upon which a legal and political superstructure rises, and to which definite social forms of consciousness correspond. The mode of production in material life conditions the social, political, and spiritual life-process in general. It is not man's consciousness that deter-

mines his existence, but conversely his social existence determines his consciousness. At a certain stage in his development the material productive powers of society fall into contradiction with the existing relations of production, or what is their legal expression, with the property relations within which they had hitherto moved. From being forms of the development of the productive powers, these relations become their fetters. Then begins an epoch of social revolution. With the change in the economic foundation the whole huge superstructure more or less slowly undergoes a revolution. In considering such transformations two things must be distinguished: (a) the material transformation in the economic conditions of production, a transformation to be established as true on grounds of natural science, (b) the legal, political, religious, artistic, or philosophical,— in short, ideological, forms wherein men became conscious of this conflict and fight the conflict out. As little as one judges what an individual is, from what that person thinks of himself, just so little can one judge from his consciousness such an epoch of transformation. Rather, this consciousness one must explain from the contradictions of material life, from the existing conflict between social productive powers and relations of production. A conformation of society never perishes before all its possible productive powers are developed and new higher relations of production are never substituted before their material conditions of existence have been engendered in the womb of the old society itself."

To put this ponderously grand statement containing past, present, and future, into less abstract general terms. Man is an animal before he is a thinker or a dreamer. The spiritual rests upon the material. To live, man first must eat, clothe himself, find shelter. The conditions under which he secures these results are the economic conditions under which he lives. To secure and hold these essentials he unconsciously creates customs, laws, institutions. A change in the mode of gaining food, clothing, shelter, by new inventions or discoveries causes a conflict between the old estab-

lished forms and the new forms struggling into existence. Other forms of consciousness, new ideas of right and wrong, of good and bad, emerge. New creeds and doctrines arise. When, by struggle and growth, the new methods of production gain the victory, new ethics, laws, and institutions confirm and establish the newer methods. Further, within the society now more or less firmly established on the newer basis, an inevitable conflict arises among the modes of production. Hence, again, innumerable changes within any given society at any given stage of advancement. Hence, class distinctions with their innumerable corollaries. Still further, societies conflict with other societies. These conflicts rest largely on the question of the production and the distribution of the gains from existing productive conditions. Hence, national and racial rivalries and hatreds. Finally, and on the whole, since so many institutions find their ultimate foundations in these conflicts, and since man's individual consciousness is overwhelmingly a product of his social relations, it becomes clear that morals, religions, philosophies, arts, and aesthetics all are subject more or less to the deep-reaching influences of the economic structure of the society in which these find expression.

This, then, in brief and in the rough is the economic interpretation of history,— a birth of the last fifty years. With this idea descend into the confused welter of historical facts and fancies. How intelligible and significant becomes the immense mass of seemingly discordant and meaningless facts. One can see always in clear view real actors, genuine men and women, seeking with fury or with stealth what they wanted, what you and I want this very day. This view is growing in power and influence. It has already sent to the rubbish heap an immense amount of historical writing. All history has to be rewritten in the light of this conception.

It has been called, even by its authors and some ardent expounders, the materialistic view of history, and it has already caused painful misgivings to numerous pious souls.

But there need be no fear. This concept does not profess to explain everything. The gentlest trusting piety can adjust its devotional impulses to this view. There is no contradiction. There is some steadfastness in human character, something calculable. So here. Even the ghostly verbiage of Hegel need not be retracted, nor is institutional history, nor are great men denied. Not at all. Only this,— any interpretation of history which aims to deal with real force-bearing factors must henceforth make intelligible peace with the economic factor or else straightway to the rubbish heap. The totality of man is not denied. But the foundation of the whole man is material. Material conditions are the determinants of mass movements, are directive of and the source of great human social changes. Apart from this foundation, there is no real history of the human race. On the foundation of the production and distribution of material goods, arise, interact, and perish the innumerable fabrications of the human spirit.

History is but the evolution of economics. It is an aspect of the general doctrine of evolution. The origin of species as general life forms in the one case becomes the origin of societies, institutions, classes, states, laws, and morals in the other. And in this latter case, the production and distribution of material goods is fundamental. Law, ethics, politics, the collision of nations, the struggle of the classes, the clash of individuals, find the larger part of their explanations in the contest about material interests, be the disguises what they may.

The thesis is tremendous in sweep. It can be justified only by detailed analysis applied to the entire field of history itself. The field has been as yet but scantily cultivated. But the results obtained are so brilliant that the ultimate occupation of the whole ground can hardly be doubted. Of this analysis you will find convincing pieces in Loria's "Economic Foundations of Society," A. M. Simon's "Social Factors in American History," Roger's "Economic Interpretation of History." Much in Marx himself, in Engels, and in others.

Here you can expect only a very rough outline sample applied, for instance, to our own history.

ILLUSTRATION; AMERICAN HISTORY

As a prelude: Consider that famous document, the Declaration of Independence. What millions have read and heard read that famous paper. Hearts were expanded, new life and force were born, souls were lifted beyond themselves, millions of money and thousands and thousands of lives have dedicated that document to the revered muniments of history. Consider it economically. Its first two somewhat rhetorical paragraphs are introductory and expressive of the philosophy of government current at the time and appropriate to the economic concepts and conditions of the age. It then submits against King George's government twenty-nine indictments; ten of these indictments deal quite directly with conditions of material wealth, tax, commerce, and war; ten deal with British interference with our legislatures, laws, and other forms securing our proper economic conditions, life, liberty, and property; the remaining nine deal with various arbitrary governmental acts, such as substituting new legal modes, failure to do justice on the mercenary troops, and so on. This is the essence. The ethics, the philosophy, the emotion centered about the document are forms of consciousness corresponding to and giving passionate expression to economic needs. Similarly with that ancient palladium of English and American liberty, the Magna Charta, the Great Charter. The Magna Charta contains sixty-three articles; three are introductory and closing; forty-eight refer clearly to matters pertaining to property and property rights; the remaining twelve have to do with such matters as legal procedure, and so on — an echo of personal and property relations. Our document is much more rhetorical than the English charter,— a new philosophy had arisen from changed economic relations — but the weight of the two famous papers rests manifestly upon property, the production, the distribution, and the possession of wealth, together with the establishment of conditions for

realizing the desire for this. And the procedure throughout has been an almost undiluted application of the reigning philosophy in economics, laissez-faire, unlimited competition of legally free individuals,— except for certain favored classes of industry.

Our politics have been dominated throughout by economic elements. Hamilton's report on finance started a division, the assumption of certain state debts, revolutionary war debts, customs, protection, the national bank, and so on. These were decisive legislative acts. To be sure, at first these were trying times; it was a question whether the government would go at all; the economic side was decisive,— viz., the intolerable financial condition of the confederacy. This and the like sort of trouble in production and exchange during the Napoleonic period culminating in the war of 1812.

Next came the slavery question,— for the following forty-five years. This question was at the bottom an economic conflict. Slavery was profitable in the South. It was unprofitable in the North. Slavery created an oligarchy in the South, which held and kept political power to defend its property, and used its revenue to support its political power. The South dominated the entire country for years. At length the commercial and industrial power of the North became so great that slavery sank in a sea of blood. The conflict of two different systems was over,— wage labor had beaten slave labor to the earth.

You, perhaps, will insist that the struggle was not an economic struggle. You would raise it to the higher plane of a moral contest. One can agree perfectly that it was a moral contest, but, then, whence came the conquering morality? From Christianity some will instantly say. But consider, for more than fifteen hundred years Christianity had been dominant throughout Europe, and consequently in America; yet slavery persisted throughout Europe all the while. One can grant perfectly that the contest was a moral contest, but then it was also and at bottom economic. The superior morality was the morality of the superior economic system.

These earlier two periods of our history had, of course, other interests, but that they also had to be largely economic, is implied in the fact that during this time we were effecting the material conquest of an entire continent. Since the war the story is the same. Naturally to heal the wounds of the strife between rival systems of production, one fallen, must mean economics again and again. Then resumption of specie payment, the tariff, the tariff again and again, trusts and free silver, trusts, and plutocracy. In the last twenty-five years nothing but tariff, money, commerce, industry.

But again you say, the Spanish-American war was an ethical anti-economic outburst. Yes, undoubtedly, but again only in part. Fortunately for the oppressed Cubans, they were near to us, and their island was noble, fertile, rich in sugar and tobacco. Some of our people had money invested or to be invested there, and it cost us dollars to police our coast, and to pay Spanish duties. Then, too, Spain was weak and distant. Our moral indignation at the bloody Turk in Armenia, or the Red Nicholas in Russia is fine,— for home consumption;— it were unprofitable in the world's markets. As a result of our Cuban experience we have the Philippines, and have learned to expunge one portion of that famous Declaration of Independence; some governments, our own at least, need not "derive their just powers from the consent of the governed." World commerce and the needs of trade and industry have changed our views of political equality.

Going back still further in our history, economic conflicts are written in the very body of our Constitution. In it a slave counts three-fifths of a man,— political power for the South, else no Constitution. So also, in the structure of the House of Representatives and of the Senate. Economic conflicts threatened to stifle in the womb the yet unborn babe. Only the memory of the intolerable state of affairs in the then existing confederacy averted the crime.

Economics caused the revolution,— illegal taxation and the exploitation of the colonies through navigation laws for the

benefit of the mother country. The French and Indian war and other colonial wars were contests between France and England, among other things for the privilege of exploiting a continent for its own people. The colonists understood the point. They expended money and life freely for the ownership of this great land. Thus all the way through you will find that the keystone of all difficulties is the economic relation, the production and possession of material goods together with all the ranks, dignities, power, and influence, which are the inseparable companions of such possession.

And not merely this, from economic conditions flowed the fact that this government of ours could not be other than a representative democracy, a republic, not an absolute monarchy. It was not merely that in the previous centuries the world had advanced hugely in morals, in breadth of soul, in tolerance, in an evolved idea of justice. All the high principles appealed to in this line can be found in ancient Greece and ancient Rome. The new outburst registered new economic situations and doctrines. A new era of production had set in. Free competition, liberty of movement, free contract, commerce, and industry,— these, with geographical characters, these determined the situation. A scanty population, a country teeming with natural resources of all kinds, free lands in abundance, pathless forests, lakes and rivers abounding in life-giving foods, a temperate climate stimulating to energy of body and character,— it was as a law of nature that such a people under such political and economic conditions must be free; must at the outset be more or less nearly equal; therefore a democracy was inevitable. The land was large, distances great, the people relatively few in number; therefore a representative democracy. Whether a king or a president mattered but little in an economic sense, since either is compatible with such conditions; only not an absolute government. Thus be the splendid concepts of that era what they were, the inalienable rights of man, freedom, justice, the heroic virtues, they all remain undestroyed, just as true as ever. But still they rest upon the

economic conditions of the age and clime. They are the modes of consciousness appropriate to such and such economic conditions.

Similarly, in a smaller way, it is almost amusing to notice the transition from the landed aristocracy of former times to the agricultural democracy of later days,— rather how attempted aristocratic imitations and adoptions from the old homestead quickly vanished before the democracy inevitable in a new land. Where there is free access to rich, unoccupied soil, or other natural sources of wealth, where all have to struggle more or less for possession and subsistence, where no ample supply of labor wage or slave is at hand, where slave labor can not be profitably exploited, and finally where the governing class whether at home or abroad has no sufficient force or army to drive its will through, in such a case no landed aristocracy, no aristocracy at all could flourish. In this country the attempts all perished. They had no economic foundation on which to stand. A similar phenomenon occurs in New Zealand to-day.

In a similar way may be seen the gradual transition of our country from an almost purely agricultural community to our condition to-day, wherein commerce and industry dominate the entire government. You can mark the progress, roughly at least, by a glance at the history of the tariff. As commerce and industrialism grow the tariff grows, not however without struggles, until now the tariff plank no longer asks for "a fair field and no favor;" no, "the tariff must yield a reasonable profit to its beneficiaries."

ETHICAL ILLUSTRATION; SLAVERY

It were impossible here to attempt in every department of thought to cite striking cases to show the indirect but pervasive influence of economic conditions. In the line of ethics one example merely, slavery in the South before the war. At the beginning of our government slavery existed among our people; its existence is written in the Constitution. It was universally acknowledged to be a social, political, and eco-

nomic evil. Governmental efforts were made to get rid of it. The ordinance against slavery in the Resolutions of 1787 was voted with but one negative against it, and that one vote was from the North. But cotton was, as it were, discovered. Vast improvements had been made in machinery. England became the great cotton manufactory of the world. The South supplied the cotton. Slave labor was found profitable. Naturally in our "Declaration," where mere abstractions came into play, all men might be created free and equal. But when it is profitable for some to exploit the labor of others, with almost singular swiftness, those favorably situated for exploiting clearly discern how unequal men really are. Rights become commensurate with endowments — nay, the weak must be forcibly kept in lower places for their own good, their own real benefit. The strong are endowed of God, are responsible for the proper care of their weaker brethren. Slavery became a cherished institution of the South; slavery was an "ordinance of nature," it was "the will of God." Southern pulpits advocated it with every resource from history, laws, ethics, and the Bible. Enslave your black brother, if you can, only treat him with Christian love and gentle charity. And chattel slavery in a limited region would be here to-day or it had gone out peaceably, only the South wanted too much of the spoils. Not content to plunder the ignorant, defenseless slave, it would also dominate the entire country, secure its present revenue and gather what more it could. It went out in fire and blood. (See Chaps. VI and VII for additional ethical illustrations.)

But space fails. The subject is too vast. There is a world history to cover — every age, time, and clime, every stage of advancement, from the barbarian of Africa and the isles of the sea, through all the states of Asia, Europe, and the Americas. Let the above be merely an outline sample.

ECONOMIC INTERPRETATION OF HISTORY AND SOCIALISM

Karl Marx is the father of this doctrine of history. He is also the father of what is called "Scientific Socialism." Marx

interweaves the two, making the one the outcome of the other. And so I suppose many people will hate and despise the one, because they hate and fear the other. In vain. If Marx be right, be *wholly* right, the scorn is as futile in the one case as the fear in the other. If Marx be *partly* right, so far his theories will stand; the rest will perish. But such persons need not be unduly concerned. The connection between Socialism and economic development is not a narrow, easily defined path; rather it is a broad highway wherein multitudes of forces jostle. Marx's tremendous power of mind and of passion hurled him not only from the ghostly abstractions of Hegel to the concrete forces of economics, but also from the absolute German state of "pure-reason" thinkers and of fact into non-utopian Socialism. He may be right or wrong in one or in both of these points. At all events, each must stand on its own foundations.

If the economic interpretation of history be correct, then if Socialism come, Socialism will certainly illustrate the doctrine. If Socialism do not come, the historical doctrine remains true none the less. Whatever social future develop, it must come influenced and dominated by the economic element. The economic interpretation of history will furnish in large part the needed explanation. We see that economic forces molded the present out of the past; we see economic forces working, molding, ceaselessly shaping, and reshaping ethics, laws, politics, and other social forms in the present; we doubt not that these same forces will shape and dominate the future. What that future may be, no one can definitely say. Socialism is but one of the possible visions. The competent analysist of a completed past need not be identical with the analysist and seer, who from wavering tendencies in the present foresees the outcome in the future. Marx may have hit the center in the one case; he may be far astray in his vision in the other. As with other seers, he judges according to his power of analysis of the present, and his capacity to reason out and image remoter consequences of the tendencies observed. Mistakes here are easy, the situ-

ation is intensely complex, and there is no check except in the non-existent future. Some see Socialism in the future; some see individualism forever; some see a mixture of the two. But come what may, economic forces will mostly determine whatever shape the future may put on.

ECONOMIC DETERMINISM NOT THE NARROW ECONOMIC

Just as narrow-minded persons would reject this doctrine of history because it is fathered by Marx, so others from cultural or religious views are offended because it has been called materialistic. "What," they cry, "ethics, religion, philosophy, science, art. culture, merely a question of the stomach! Faugh! disgusting, narrow, vicious." Thus they leap to bigoted extremes. And yet, up to the present at least, souls usually reside in bodies. The most ecstatic poet, the most exalted lover, the abstractest philosopher, the saintliest divine, are yet possessed of bodies with all their passions and appetites. Yes, if you will, the stomach must be filled; at intervals at least, else the poet's song is his swan song, or the dreams of the lover, the philosopher, and the divine become the gibberings of raving animals sinking into death. Mind, intellect, spirit, soul, be they what they may, still exist and manifest themselves with power, still condition the labor of life, voice its sorrows, its joys, its hopes, its fears, its raptures and its anguish; more than that, they still condition and limit the range and point of application of economic forces and not infrequently oppose the direct economic itself. Thus in every age, in the institutions which they create out of the economic, they become as it were constituents of the total economic structure, and thus are causes of the course of future development. As Marx says, they are either forms of development or they are fetters.

Hence love, charity, justice, law, morality, art, culture, literature, philosophy, all have power in determining the total aspect of any historical epoch. Thus too it may be said that there is a legal, a religious, a racial, or an ethical interpretation of history. All these things are real, and have

more or less a vitality of their own. But it is impossible to divorce them safely from their material source. History with them alone is playing with ghosts, for in much they voice only idealizations of existing institutions. What gaps in such stories! What unintelligible stretches to be filled only with vague guesses and Hegelian verbiage. You can not safely scorn the material. Consider the careers of the reformers. They are always broken more or less, or sadly wrenched from their intended goal by the bursting through of the material and brutal economic. The idealists and the reformers are few; those who eat are many, and these will fill their maw, though it be, as the reformer thinks, only with the husks of the swine. Hence, the idealist and the reformer must somehow combine their conception profitably with the material interests of the dominant classes of mankind. Knowing that man, mostly ignorant and therefore narrow, bases and positively must base upon physical necessities, the wise idealist will seek a like foundation for his broader, nobler views. Only thus can his ideals pass from the land of dreams, — what splendid visions there unroll! — into that of the real, there to serve as the material and spiritual basis of a loftier and mightier development.

As always and ever the material breaks into pieces utopian dreams, so always flower out upon it ideal extensions, the glory of the material, higher purposes and desires which also in part influence and direct the lower economic. Therefore, not one word in derogation of the true, the beautiful, the good. Rather let all and more of us have more of these high nobilities. Let all and more of mankind be raised far above the condition wherein the brute remains untamed, wherein the naked economic demands so far engross all energies that he must remain a brute. Until this higher plane be reached it is right that history be ruled by the so-called low economic motive. The tax is just until man achieve a state wherein the economic weight shall press, as does the atmosphere, equitably in all directions. Thus freed from unequal pressure, each shall be genuinely free, free first from the conditions which

condemn to a lifelong struggle for mere animal existence, free then to be humanized indeed, to be a dweller in the region where high ideas have full sway and work out on an ampler field all the wealth of their manifold possibilities. Instead, as now, the few singers, priests of light, devotees of a culture for only a small minority, mayhap the entire land, as it were will swell full-throated a varied song. Each man, no longer a brutish animal, shall be a willing servant of the light,— there shall be no darkness there, nor misery, nor tears,— all shall be radiant, differing as do the stars, yet each having his own glory. Thus culture shall be the birthright, the possession of all. The economic struggle as we know it shall be no more. The brute shall have been transcended. Man becomes man indeed, body and spirit in perfect unison.

CHAPTER II

ETHICS AND THEORIES OF PROPERTY

Social Unrest and Property.—Theories of Property: Juristic; Contract; Absolute Rights; Law and Government; Work; Economics of Production; Economic Determinism.—Fundamental Principles Must Be Scientific: Science Is of the Real; Is Economical; Is Predictive—Divine Sanction, Unscientific.—Intuition Is Useless.—Ultra individualism, Self-contradictory.—Egoism and Altruism.—Class Struggle and Class Consciousness; Cause of Social Evolution, Man under Various Motives: Life; Economic Power; Culture Ideas Involve Economic; Ethical Largely a Transfigured Economic; Contrasted with Abstractions; Property Relations Will Continue To Change.

The present age seems an age of transition. Unrest exists everywhere. Political and social institutions are trembling under fierce destructive and constructive criticism. For many the specter of the day is Socialism. Sounds of the grinding of elements are heard in Germany, in France, in Great Britain, in fact in all Europe, and in the United States. The central point in the agitation is the origin and limits of property and property rights. Accordingly, we shall here discuss briefly some aspects of property.

The question of property and property rights is rather important, since neither saint, philosopher, nor savage can exist without property, that is, without consuming material goods. A theory of property must certainly be complex, because property, touching life as it does on every side, seems as various as life itself. Every class, trade, profession, in fact every human interest affects and is affected by property views. Each passion, each interest claims consideration for itself, hence theories of property are as many-sided as human feeling. As the viewpoints change, different aspects emerge with a different distribution of strength and im-

portance. To the divine one thing seems essential; to the warrior another thing; to the lawyer still another; and so on with the economist, the workman, the capitalist, the scientist,— "each chases his favorite phantom." It is both needless and impossible to pursue all these variations in detail. We shall present a few theories in broad strokes in order to offer some remarks upon important principles lying at the foundations of the chief theories of property.

The various elements appealed to by property theorists may be broadly distinguished as absolute and relative. That is, some elements are held to be indisputable or invariable, as always valid; while others are regarded as changeable, as varying in power and validity. On the one side we have abstract generalities; on the other side concrete particulars. Some appeal to the divine sanction, to the laws of nature, to pure ethics, or to man as man. Others appeal to the laws of actual societies, to actual economic forces, to ideals derived from actual human relations. We shall not seek to classify and pursue in detail these possible variations. In truth, but few theorists can or do advance far in either direction without invoking aid from the other side. Thus the absolutist quickly gets back to the relatively concrete, while the relativist must needs give a kind of generality to his maxims which easily slides into another seeming absolutism. Blackstone in Chapter 1, Book 2, of his "Commentaries," presents the usual course. He starts with the absolute, that is, the divine sanction, and then passes in review phases drawn from most of the other general views. He presents his case with all his admirable legal ability and style, and doubtless closes the discussion for many of his readers. Let us here present the elements of some theories, following and using for this purpose Laveleye's classification and matter in his "Primitive Property."

THEORIES OF PROPERTY

Juristic Concept. — The Roman jurists and most modern ones hold that the principal title which confers property is

occupation, seizure, the taking possession of things without owners,— "finders is keepers." For what belongs to no one is conceded by natural reason to the seizer of it. This Roman idea of seizure, possession, occupation, is at the bottom of ownership from the right of discovery, from colonization or migration. By a further extension it is made to cover inheritances and testaments or wills; in fact, jurists or lawyers, with characteristic ingenuity, stretch occupation, seizure, or possession so as to cover a vast multitude of possibilities.

Contract.— Akin to the above are such theories as spring from the idea of contracts. Hobbes, Locke, Rousseau, all make use of this idea of contract as the source of all government and of property relations. Thus, according to Hobbes, by nature all men are in a state of war with one another; there is no government, no property. Each is against all, and all are against each. Settled government and property rights arise only when men agree to surrender some so-called natural rights in order that they may secure for other rights a solid social guarantee. Locke, Spinoza, Kant, and numberless others agree to some phase of this idea. Rousseau's "Social Contract" was the most famous and influential presentation of this thought.

Natural Right and Ethics. — Similar to the above, but from other viewpoints, are ethical theories starting from the worth and dignity of man. Thus people speak of the natural right to life, to liberty, to a development consonant with man's true worth and dignity. Others speak of "laws of nature," and still others appeal to the deity as the cause and origin both of "laws of nature" and of human worth. Since property, that is, a store of material goods is a precondition of life, liberty, development and dignity, property rights are regarded by some as primitive and original, while others hold them to be secondary and derivative. Thus Cousin says: "Property is a necessary consequence and condition of liberty. Liberty is sacred; property ought to be the same." Fichte says: "The right of possession is an immediate and inalienable right, and precedes all law." Aherns says:

"Right consists in the totality of conditions necessary for the physical and spiritual development of man, so far as these conditions depend upon the human will." Property is a natural right, a condition necessary for every man for liberty and individual development. The commandment, "Thou shalt not steal," was written by the finger of God upon stone tablets at Sinai. It would be easy to multiply to pages similar quotations.

Law and Government. — Another view finds property and property rights rooted solely in law or in the civil power. Thus Bossuet: "Take away government, and land and all goods are as common among men as light and air — everything is prey to all. Similarly, Montesquieu, Mirabeau, Tronchet, Robespierre, de Tracy, and others. Bentham says: "I count upon the enjoyment of what I call my own only upon the promises of the law which guarantee me therein. Property and law are born together and die together. Before law, no property. Take away laws, all property ceases." Similarly, Maynz: "The three legislations [Roman, German, Slavic], which share Europe, have derived exclusively from the state the absolute power over a thing, which power we designate by the word property."

Work. — Locke and Adam Smith first expounded the theory that not seizure nor occupation, but work constitutes property and property rights. Locke says: "God gave the earth in common to men, but as they are able to enjoy neither the soil nor what it provides except under a private title, it may well be admitted that an individual may avail himself of an object to the exclusion of every other. The extent of a man's work and the convenience of life are the natural regulative reason of property." "The necessity of private property results from the conditions of human life which requires work and a certain matter upon which it may act." Adam Smith further handled work as the measure of value, which declaration reverberates through all Socialistic discussions.

Economics of Production. — We come now to another general class of grounds — namely those which rest upon eco-

nomic considerations of production. Thus, in effect, according to the German Roscher: "The institution of private property furnishes a stimulus to work, to saving, to increased productivity of labor and capital." Mill says: "The private appropriation of the soil has been considered profitable both to those who have no share in it and to those who have. The community and the human race has the greatest interest that the land produce its utmost." These statements could be increased in number and variety, but perhaps these sufficiently indicate the point that with certain economists the emphatic or dominant reason justifying the property relations lies in the economic results of the institution.

Economic Determinism. — Finally we note that aspect which results from applying Marx's doctrine of the economic interpretation of history to the whole problem of human social evolution. Marx also was economist. With him the economic takes so broad a sweep in its direct or indirect influences that all conscious human life is subject to its sway. Thus for him, Roscher, Locke, Hobbes, Rousseau, Smith, Cousin, Fichte, Bentham, Mill, theologians and absolute philosophers in general catch here and there but one or more aspects of the questions. They give partial solutions of special cases, not the general formula. He easily, in many cases, can resolve and explain their solutions as but partial, as in fact dominated by economic motives. With him the production and distribution of goods conditions consciousness in general. Ethics, philosophies, politics, rest upon economics, and the history of civilization is the clash of economic interests cloaking themselves in all sorts of transfigured formulae and generalizations. Seemingly far removed from the economic, they yet all the time pulsate with life streams flowing from economic sources, and reach their fulfillment more or less in the turbulent ocean of class struggles.

The various theories of property just indicated clearly imply a great variety of principles. Some of these are discordant, some are overlapping, and all contain elements of plausibility. It is certainly not the purpose here to mete out praise or

blame accurately or to measure the worth of each; still less to present a scheme to end the discussion with certainty. In one sense the intention is to increase the confusion in some minds, but in a better sense to stimulate to a discussion of the problem. Let us then touch upon critical principles at the foundation of some of these theories.

CRITICAL PRINCIPLES MUST BE SCIENTIFIC

Critical judgments imply fundamental principles. No relatively final estimate can be made until the deepest postulates are dissected and understood. Until and unless these aspects are threshed out somewhat thoroughly, discussion is apt to be a mere beating of the air. Antagonists never really meeting one another fail both to understand and to be understood. The deeper the passions invoked, the greater the interests involved, so much more the need of a thorough sifting. Exactly this is the case with the question of property rights, for this question touches nothing less than the foundations of society. Let us then try to get at some fundamental presuppositions in this question of property and property rights.

The thing first of all and of chief importance is to ask what sort of principles is to be accepted as relatively final for this question; that is, in what sphere and from what sphere the principles are to be taken. Our answer at once is that these principles must spring from and go back to real things of human experience and knowledge, in one word, they must be scientific. We can accept nothing less, and nothing else. Choose your ground.

Property and property relations are very real, and they lead to very real results. Their problems are before our very eyes and affect every movement of our present life. Since society itself must manage these problems, the principles must spring from and relate to real and manageable things, that is, the principles must belong to human science.

(a) *Science Is of the Real.*— Now the quest of science is always for real elements; if possible for agents which can be manipulated directly or indirectly by human hands, that is,

by human experimentation. Explanations must root in reality. However remote the concept may be, such as the undulatory ether or the electron theory of matter, the formula leading to it must be a transcript of real experience, and must conduct back to real experience. Science as a general concept involves plurality, and therefore objective external aspects, and therefore, again, it must come back directly or indirectly to sense perception. Science has long since got rid of occult causes and fanciful agents. It has drawn and insists upon the distinction between arbitrary abstractions and realities. Spirits or angels are no longer as with Kepler or as with ancient mythology the charioteers of sun, moon, and stars. Dryads have deserted the forests, nymphs the fountains, nereids the sea. "Proteus rising from the sea" and "Old Triton with his wreathed horn," dead to science, merely turn beautiful phrases to express the emotions of the poet.

Causes for the purposes of science must lie within the scope and ken of human objective experience, that is, they lie beyond the individual fancy, they are open to approach and investigation by others. As Kant has shown, it is only by the congruence or agreement of our experience with itself and with the experience of others, that we can securely distinguish reality from idle personal fancies or from the delusions of insanity. Property and property relations are such objective realities; hence the principles whereby property rights are to be tested must be just as broadly and widely real.

(b) *Science Is Economical.* — Again science is ruled by the law of economy. Principles are not to be multiplied needlessly and the connection is to be as simple and comprehensive as possible. They are to be used economically. The possibilities of a principle are to be exhausted before the aid of novel ones is invoked.

Not every new problem is to be the occasion for the coinage of a new principle. The history of science is littered with fantastic solutions violating this requirement. Filled as it is with analogies, it yet seeks to lessen the demand and to

penetrate to the essential. The like procedure must obtain with the question of property.

(c) *Science Is General and Predictive.* — Again science demands that principles shall be manageable, shall have a workable quality, a power to suggest lines of research and to foretell possible new advances. Each explanation shall sweep into its net larger and larger masses of known phenomena, as well as find and almost foresee phenomena as yet unknown and unexperienced. The history of science shows multitudes of such divinations and predictions. Any principle, therefore, which does not possess such power to absorb past experience and to anticipate possible future experience is practically worthless for science purposes, no matter how high, or beautiful, or grand, or satisfying it may be in other respects. Now property relations are interwoven with all known past experience; they touch every side of our present life; and for all we know they will encircle the human race as long as it shall exist upon this earth. Fundamental property principles must accordingly have just as wide a range of explaining and of anticipating power. For those not prepared to demand and to accept such principles for the property relation, this discussion may as well cease right at this point.

THE DIVINE SANCTION IS UNSCIENTIFIC

At the outset then the theological side of this question may be disposed of. The divine sanction and institution of property is often invoked. Notice the question here is not in the least the origin, the validity, and the limits of the idea of the divine. The question is not its influence or ultimate character in various fields of human thought and sentiment. The question is not theism versus anti-theism, as some crude or passionate persons might hastily imagine. The question is much simpler and tamer. The question is the workability of the idea of the divine within the field of natural science and especially in this property question. The answer at once is, the solutions of the problems of science can not receive assistance from the idea of the divine. To the ancient Greek

or Roman believer the Deity was a possible scientific element. Every forest, lake, stream, every natural phenomenon was the province of some particular god or half-god. Phoebus Apollo drove the sun and caused pestilences; Artemis guided the moon; Aeolus, the winds; Neptune the sea. But then the Greek Deity was a multitude of deities, each of limited range and power. Indeed, they were nothing but gigantic men, and so not wholly beyond human power and management. But to us, Deity has become as wide as cosmos — yes, wider. He is infinite in power, omniscient, inscrutable, in short, all limits have been stripped from Him; as a consequence, He is utterly beyond human power and control. Omnipotent, inscrutable, — predictive power and manageability are gone. Experimentation, with Him involved as a possible factor, is futile. Thus, the concept of human science and that of Deity are become intrinsically contradictory. Science is forever cut off from using in its limited sphere this idea of Deity.

Or apply this to the property question before us. Have we or have we not a direct revelation from the divine in the matter of property relations? Is property a divine institution in any special sense? Is that revelation as wide as the property relation is and has been? Treat the matter so broadly as to compass all past and present relations of property, then all times, customs, and climes have had that revelation, whether it were direct or indirect. Treat the matter as narrowly as this or that particular sectarian is apt to do, and the revelation if direct is likely to be confined to a specific place, time, and people. But an examination of the property relations, such as are manifested throughout the earth to-day, shows an enormous divergence and diversity. Things valueless and not property at all among some peoples are common property with other peoples, are private property with still others. And of course these diversities and similar ones, to enumerate which would fill books, sweep over all times and past centuries of extinct civilizations. If then the revelation be direct and general, how will you make your conception of Deity and

direct revelation consonant with such enormous diversities of property concepts in past and present times? Where is the revelation, who possesses it? Has each tribe and nation received its own? Or is the revelation confined to the barren formula "have and hold," without indication of content and limits? Still worse is the case if the revelation be direct and confined to one particular place or people. What is to be said of the vast and diversified property relations of times and peoples preceding or not having knowledge of such a revelation? In that case, the theory of property as a direct divine revelation and institution fails to embrace all the phenomena to be explained. As a pretended scientific or complete explanation, it is a nullity, a futility. It is the apotheosis of sectarian ignorance.

The revelation then must be indirect. But then, what is the meaning of an indirect revelation, and how shall the revelation be read and interpreted? Now, broadly speaking, an indirect revelation is such as emerges from a study of the manifestations, the tendencies and the results of the interaction of things. It is a case of circumstantial evidence. We are then thrown back for our answer upon human reason, human principles, in a word, upon science. But this is in effect nothing else than the abandonment of a special independent divine sanction. If to know the divine will, purpose, or idea, we are thrown back into the turmoil of human passions, interests, and thoughts, we are in fact setting up humanity as the judge and determiner of the content of the divine nature. But what the content of the divine nature and purpose may be — consult the multitudes of religions and sects of religions, see the variegated concepts of divine and devilish, of right and wrong, of good and bad, turn over the dreams, and the fancies of poets, philosophers, scientists, and theologians, of all ages and climes. You will see that no agreement is possible as to the divine nature. The vast diversity of historic and present property relations shows that the indirect divine revelation and institution of property has experienced and does experience just as great a diversity of

interpretations, and that therefore the divine sanction is as multiform as the phenomena themselves. The utter vacuity of the pretended explanation is manifest. The explanation is no more than a repetition in disguise of the very facts to be explained. In effect, it says, "these facts are and were, because they were made to be. They were, God permitted them, and therefore they had the divine sanction; property was and is a divine institution." This theory gives no real reasons, tests, or criteria, nor can it give any. For thought and science it has no co-ordinating power. It leaves the multiplicity in all its nakedness.

But further: As a religious ideal the divine is truly nothing, if it be not real, that is, if it be not in some sense external and independent. From this it must ordinarily follow that apart from special revelation, our knowledge of the divine is subject to an evolution similar to that of our knowledge of other external realities. Therefore, unless we claim ourselves to be divine or to have direct commerce with the divine, our indirect knowledge of the Deity must unfold and change with our changing knowledge of external relations. This thought is the lifeblood of those Christian theologians who reconcile the Old and the New Testament conceptions with one another and with modern conceptions by the idea of a progressive revelation. Even those who claim direct revelations from the Deity must harmonize their new concepts with the mass of indirect knowledge; for it is with this as with all other external realities, congruity with the experience of others is our widest, solidest test of the real. Usually, however, we relegate to the madhouse too insistent claimants of divinity, and the number of exploded personal revelations found to be utterly incongruent with the developed knowledge is so great as to make all careful thinkers rather distrustful of any particular claims or claimants. Hence, it follows that even with the postulate of the divine institution and sanction of property and property rights, we can expect only such change and diversity as have been found to exist already.

From the intellectual point of view recourse is had to the

divine because of inability to reason out, or to await a rational verdict. Often it is the demands of the heart usurping the functions of the head. The attempt is to get a finality, to get some fixed, stable, and unchangeable basis. Hence, the frequent appeals to eternal and immutable verities, to absolute and final justice, eternal right and so on. But as seen, we are landed either in the madhouse or in the idea of progression in the concept of the Deity if we carry our demand too far. Since the Deity is conceived as "infinite, eternal, unchangeable in being, wisdom, power, holiness, justice, goodness, and truth," as the author and creator of all things, men slip these ideas into some of their views, and hold forth that which is meant to satisfy the heart, as also an acceptable explanation for the head. We have seen the vacuity of this as a scientific explanation. In truth, the idea of the divine has been used in all ages, and in all civilizations as an aid to humility and pietism. The thought which seeks to encourage proper religious humility and devotion has been used repeatedly as a cloak to give an air of sanctity to some existing institution whose threatened disturbance disquieted its beneficiaries. It has been used to stifle inquiry, to lull discontent, to add an additional strong motive for the preservation of existing institutions. It was used thus in the past, it is used so to-day. But it has no proper place in a scientific discussion, and should carry no weight toward an intellectual verdict.

"INTUITION" USELESS

Next we must come to terms with such high-sounding expressions as eternal truths, immutable justice and the like, expressions which as regularly appear in such discussions as does smoke from fire. Notwithstanding Kant's "Critique of Pure Reason," they are still the refuge of thousands when they are unable to harmonize their favorite views with the facts of reality. And, indeed, they do carry an appearance which staggers and daunts many just on the verge of questioning their meaning and proper application.

Now we must admit that there are immutable, everlasting truths, but then we must add, these truths are abstractions. So far as they express a real content, they do so under implied limitations. Forget or disregard the limitations, and the truth becomes a mere abstraction. Try to apply it to reality, while disregarding the limitations, and you are practically certain to falsify the truth you pretend to utter. To obtain these eternal truths, lay down and agree upon certain definitions, and upon certain principles according to which you will handle or deal with your assumed concepts. Apply and check up results. Then apart from the possibility of everyone making the same error, you can say "within these limits, everyone capable of understanding and of applying these concepts and principles, must reach the like results." Such truths may very acceptably be called universal immutable truths. Pure mathematics and pure logic represent a body of such immutable truths. But in exactly the same way you can construct an eternal chemistry, an immutable physics, an unchangeable biology. The matter lies in your own hands. Choose and limit your physical and chemical concepts and principles of interaction, and deduce what results you can. Everyone capable of understanding your terms and principles can reach the same conclusions. Mathematics and logic representing as they do such abstract and general relations as those of space, time, number, similarity, and difference and thus so completely interwoven with every element of our experience, have validity and applicability in some sense to life and reality, because in fact they never get far from some aspect of the first elements of our experience. No one ever thinks of coining an immutable physics. That were only the play of fancy. If you could repeat or give a new version of "Alice in Wonderland" it would be as eagerly read as is "Alice," usually, however, only for amusement purposes. The business of science is too pressing and serious for such pleasantries. And yet in the progress of science and knowledge you can see in abundance the equivalents of such fantastic creations. Every disintegrated

theory or exploded hypothesis of past science is just such a creation. Concepts or principles taken from reality were fettered by supposed unchangeable limitations, and there resulted fanciful structures supposed to express reality in its fullness; until reality arose as it were and in scorn gave them to annihilation.

Thus science has learned caution. Evidently then these abstract immutabilities and eternities as ordinarily appealed to are of a different order from that of the steady generalities, of our scientific laws. Both are abstractions, but the limits are unlike. Every scientist of real power is ready to abandon every reigning theory in his department, if you can give him a better and more comprehensive one in its stead. And why? Because at bottom he recognizes from history, experience, and reflection, that real things and his abstractions differ. He knows that his abstractions are but partial aspects of real things. His constructions exhaust not a tittle of the reality; they are at best but a makeshift. The like follows for the divine conceived of as real. If real, it is as inexhaustible as any other real thing. Immutability exists only for abstractions, and of mere abstractions it is the immutability of death. Such immutability can never cover the variegated web of changing property relations.

Wholly of the same piece as the above is the emptiness of absolute ethics, eternal right, justice, and goodness. Either these words when properly used mean to express a real content, or they are shells. If at any given time and place they have a content, then conditions and limitations are implied. Abolish the limitations, or change them noticeably, and then the content either becomes nonsense, or is unduly extended, or else its range of application is changed. Regard the limitations as unchangeable, and you find another shaky hypothesis, which the world outgrows. But as frequently employed in such discussions, these names are mere shells. Thus, merely for example, if in some Old Testament Jewish campaign, the Lord commanded the extermination of men, women, and children, your modern horror is met with the

reply of a gradual progressive revelation and moral development. Right at that time even with a divine sanction is not right now. And Dr. Hyde, president of Oberlin College, can find the Deity of the savage to be the same as the Deity of the most refined culture of to-day, "differently conceived, but the same reality." Or you will meet the reply, "No matter how great the change, right is always right, justice is always justice, and so on. Now what is this other than clinging to the word, let the content be as variable as the shifting passions and interests of men? Of what use to appeal to the shell of the name, when the meaning has so completely altered or vanished? Absolute Deity can thus, with Dr. Hyde, cover contradictions, and absolute ethics can be made to contain impossible combinations.

Absolute philosophers and theologians abound in such empty phrases. As type of them all: The Roman Catholic Church, popes, bishops, even the most docile and ignorant of the laity ceaselessly extol its changelessness of character, doctrines, and truths — this in the face of the open records of its history. For example: 'Man's physical necessity of food to support life becomes with it a divine revelation of private property, becomes a divine decree; of these decrees the church is the guardian and interpreter, and hence the arbiter of governments, sciences, and morals.' (Leo XIII, Encyclical on Labor, 1891.) Hence an "infallible" papal judgment concerning private property is to the faithful as divine as God himself. Thus this church sweeps external relations and its sectarian claims, objective impersonal science, subjective inspirations, and partisan desires into one complex, and tenders whole and parts as of equal validity. Not to accept papal dicta is to defy God, to overturn society, "nay, the very notion of good and right would perish" (Leo XIII). But the changelessness of papal doctrines is merely the changelessness of the objective facts of science stretched illegitimately to cover all the elements of an opportune interpretation by the church,— this, together with the changelessness of the perfectly natural purpose of the Roman hierarchy to maintain

secure its position of influence and power, or else it is the changelessness of the written or spoken word alone.

In general, the words carrying the "immutable" knowledge of the Deity and His purposes are found in "sacred books," (the Bible, the Koran, the Vedas, the Zend Avesta, the Analects of Confucius, and so on). But the history of human ideas and culture, the evolution of religion, the development of sectarian doctrines dissipate all these clerical pretensions. God as a real being,— the knowledge of Him has unfolded as has the knowledge of all other external realities. The language of the sacred books is ever vague, general, an appeal to ideals — otherwise they had never found so universal a response — hence the inner meaning of the language alters with the growth of the believer's knowledge and ideals. Every discovery of science shapes anew some dogmatic interpretation of the Bible. The words are the same; the meaning is as variable as the inconstant forms of drifting vapors. The like may be said of the abstractions of the philosophers. (See "Origin of Ethical Finalities," Chap. VI.)

Laveleye discussing in his "Primitive Property" the various theories of property rights clearly sees and avoids this pitfall in one place, but his final refuge is of a like character. Laveleye will get away from such abstractions as the Roman jurists' "occupation," Rousseau's and Hobbes' "contract," but he adopts another of a similar nature. He says, "At each moment of history and in each society, men being what they are, there is a social and political organization which responds best to the rational needs of man, and which most favors his development. That order constitutes the empire of right. Science is called upon to recognize it, and legislators to consecrate it. Every law which conforms to that order is good, is just; every law which is contrary to it is bad, unjust." At first sight nothing finer than this seems possible. It breathes the air of reality, it is permeated with seemingly concrete, particular relations of space and time; it involves science and legislation, and it recognizes men as motors and causes. It would appear well-nigh axiomatic and as nearly

absolute as mathematics. Its greatest vice is that it implies an absoluteness not possible to it. On the one hand it disregards material and social limitations, or it regards as fixed other limitations, so that one almost certainly gives the idea an extension which history and life itself show is not and can not be borne out. Real relations and changing real relations are transparently implied, and therefore also the changed content and sphere of the "Empire of Right."

But such terms as "responds best to the rational needs of man," and "most favors his development"— what a complete nest of possible confusion lie in these words, when transferred to particular cases! Grant them as general abstrations, who then shall tell what this "order" is, what is "best," what are "rational needs," the "needs" of what men? Of mankind's in general, or only those of a particular nation, or even of a particular class of a nation? And what is "favors," and "whose" development is favored, and development along what line, and for what period or length of time? And who shall decide the meaning of "best," and "best" in which direction, and who judges what are "rational needs?" Evidently here, in these seemingly simple words, is involved the seething turmoil of all interests and passions, all aspects of reason, development along all conceivable lines through all conceivable periods to all conceivable purposes to be realized. In truth one can not use such general language without implying some pretended final judge, some pretended final concept or test, some moment or period of time, some purpose to be realized. All this armory of presuppositions instantly calls out the questions, "Whence came you, what is your authority, your power, your test, and your titles?" Laveleye's fine phrasing gives no answer to these pertinent questions. He indicates no power, no test, no criteria. Now no one in fact has ever met with such final judges, and such final tests. The "Empire of Right" is a sonorous phrase, a glittering generality, a fragmentary ideal seeking to make itself absolute. But social relations and even social ideals are too con-

crete, intricate, and transitory for sharply defined mathematical-like treatment. In reality, Laveleye's "rational needs of man" and so on, are only the needs and desires, the hopes and fears, of this or that fraction of society. We are as a historical fact thrown back upon the hosts of positive disputing interests, passions, persons, periods, purposes, and results. We are again in the welter of actual life, striving, fighting and blundering into such material cultural results as we may obtain.

In truth Laveleye does almost what the Roman jurists did with "occupation." He schematizes a result, and by a feat of abstraction he places it as the presupposition of the historical course of events from which it actually issued. Or otherwise expressed — a more or less complete thought of a certain class of thinkers having or using certain tests or criteria at a certain period of time, he conceives in the form of a process of development of rational needs ("rational needs" according to their view), and he makes or would make this standardized thought of a partial result, the cause or *prius* of the process itself. The result is made to be its own cause and explainer. In spite of the turbulent crowd of real agents, of which he gives you a glimpse, he wishes to get behind or below these real though limited driving powers, and in his "right" as the sanction of law, he either forgets the limitations which alone guard the reality of his "right," or else he disregards the limitations and gives his judges, their tests, and their periods, a fixity and generality not belonging to them, or else, again, he is merely under the enchantment of a sonorous phrase, of a sounding shell.

ULTRA-INDIVIDUALISM

Recall the various theories of property. You see that some sort of clash between the individual and society finds expression. Now one must come to some settlement about the priority of society and the individual, otherwise, he is the prey of illusions and of incomprehensible or unexpected lapses and relapses into various views.

In some or all of the theories noted you find the individual man referred to or implied, but it is always the mature individual, and this mature individual always fronting other mature individuals, or a society formed of such. Thus in property from occupation or seizure, in the social contract, in the right to work, in the dignity, worth, liberty, and rational development of man,— all these imply the mature individual as such, in his own nature as it were, quite apart from other individuals, or from any social surroundings. A moment's earnest thought shows this view to be an abstraction, and an abstraction in the very act of striving (in the conclusions drawn from it) to get free from the conditions which give to it a relative validity; or otherwise expressed, the conclusions themselves drawn from it imply the very relations which the abstraction seeks to escape. Thus, to take the last point first; the words worth, dignity, liberty, rational development, all imply that the abstracted individual has not escaped from a society real or conceived. These words have neither sense nor application apart from social relations. Cut a man off from all social connections whatsoever, real or implied, and he becomes in fact and in theory a thing. Worth, dignity, liberty, applied to such a being evaporate as meaningless. Liberty and rational development imply communion of like beings. Ethics, moral right and wrong are nothing apart from spiritual commerce. These terms used of the mere individual are completely empty, they are not dead, they are nothing. Social relations are their very essence. Accordingly, an attempt to derive or found social concepts from or upon the concept of the mere individual as such seems a futility of the first order. No such mere individual has ever existed. The solitary Crusoe has not ceased to have social connection. His past can not be shaken off; he remembers, he hopes, he creates in mind his own theater wherein he plays his part. Thinking for man is devoid of significant content apart from social communion real or implied.

Test the abstraction of the absolute mature individual by reality, and he is seen never to have existed. At the very

outset the mature individual apart from society is a biological and psychological impossibility. Genetic biology and psychology demonstrate this with such a wealth of detail that any other view of the matter becomes practically inconceivable. Before maturity he was a helpless infant. He did not come into being at all apart from a social relation, nor does he reach maturity apart from a thousand cares of others. The mature individual is therefore a product of social relations. Every concept he has, whether concerning worth, dignity, freedom, reason, development, or what else — all spring from social connections. How, then, is it possible to imagine that such a being wholly the product of forces socially fused should ever be conceived to front society, and to lay down, as it were, the conditions which shall make social relations possible to him, which shall permit him to enter into social connections? A desperate mental abstraction, which but repeats the substitution of product and producer. Even the conditions which he might be assumed to lay down are themselves for the most part the registered products of social relations. Thus the principles of contracts, the acquiescence in possession or seizure, the conditions of worth and dignity, are alive in his mind only because they there represent an image of previously established social results. Thus these theories repeat the familiar trick of substituting effect for cause, of treating the final result as if it were a compelling purpose and power. Precisely as with the vague divine sanction, they repeat in disguised form the things to be explained, and set them forth as their own explainers. A logical device or trick, valuable as an aid to learners, is regarded as the driving force which wrought out the reality. They are, as theories, inversions of fact and history.

But even when these theorists of the naked individual are allowed some sway in applying their propositions, they soon fall into contradictions, or never advance farther than a high-sounding preamble. For manifestly these absolute rights of the individual as such must apply to each and every in-

dividual, all must have these same indefeasible rights. One may well ask, what are these rights, and when or where were they ever indefeasible? Not to dwell upon the difficulties attending the passage from helpless infancy to maturity, and how these theorists shall determine the point of maturity, life and society plainly show that these fine theses are utterly false to historical and present facts. From a to z, present and historical societies in their actual relations dispute the propositions. Still more, these theorists can not advance more than a step beyond their preambles without encountering social considerations. Almost immediately they swing in as final tests, social welfare, social utility, social worth, that is, human relations and human consequences.

Thus take the right to life. This right, if any, must be primary, since apart from life no rights have any meaning. Yet the right to life becomes a sort of nonsense, when posited of the isolated individual as such. Conceive a number of individuals, isolated, desocialized; to them the right to life must be meaningless; they are to one another no more than things. Each stands in his naked solitariness, in a universe of external things. He uses these things as best he can for his maintenance. A human being is to him only as a wild beast or as a thing which may oppose his self-maintenance. In such a case right attaches to other humans just as little as it does to the waterfall or to the fruit found and consumed. If, however, you tacitly demand between the individuals a relation or connection of some sort other than that of external things, then you have contradicted your hypothesis of the individual as such. If you insist upon the connection, then you give up the absoluteness of your individuals. You conceive them as socially limiting; in effect you are immediately back into the social forces which determine their actual subsisting relations. Your hypothesis thus fails of its purpose. What you have tried to do was to transfer a partial result which you approve of into the place of the cause. You have sought to make the product to be the cause, motive, and explanation of itself.

But if we pass over such inner contradictions in the thesis itself, we find society itself at war with the doctrine. If the right to life be indefeasible, society may not guard itself by taking the life of a criminal. Self-preservation is no defense. Your life is worth no more than the other's. Casuistry can not resolve the contradiction. And if neither society nor self-preservation may take the criminal's life, what shall we say of wars, especially holy wars; what of "Te Deums" in praise of slaughter; of invoking the Deity to bless a national cause; what of the praise of patriotism — "Sweet it is to die for fatherland;" what of the perfervid emotionalism, the moral and religious exaltation in fighting to death "for the right, for altars, homes, and consecrated sepulchers?" 'Tis a singular commentary on actual life.

Further, how narrowly applied is the conception of the right to life. If life be so sacred, why confine the sacredness to human life? Why not apply it to animal life also, or why with the Buddhist confine it to animal life merely; why not extend it to vegetable life also? And to go back; what then of the divine Creator and man, when man can live only by destroying other life, or at least by transmuting other life into his own (advanced chemistry not yet having adequately solved its synthetic food problem)? Evidently the thought attempting to be absolute falls into the necessity of limiting its scope. If so, the question again recurs, "What sets up the limits and how?" So that after all we must come back to concrete social determinants.

Or apply the doctrine to property rights. Whether property rights be original and primitive, or secondary and derivative, so far as concerns the ultra-individualist all persons must possess the same right. No conceivable situation can arise which can defeat this right. Each individual is fully panoplied. He can be bound by no conventions, past, present or future. Anarchy is complete. Society is dissolved into separate isolated units. Thus "absolute rights" result in the annihilation of any and all really existent rights. Society at least has never sanctioned such conceptions. They are in

fact the utter condemnation of all and every arrangement which societies large or small have ever instituted. Such a result, if logical, must surely presuppose some irrational premises.

It would seem that this rather poor abstraction of the mature individual gets, after all, from social considerations, its semblance of workable content. It would seem worth but a moment's notice. But like the divine sanction, equally poor as an intellectual solvent, it is important only because of its perverted use. It is largely used as a shield in defense of existing institutions in their present form. One will invoke the absolute right of the individual to property as a defense for his own property, and will tear a moral passion to tatters in such a cause; but he quickly fails to see the logic that every man should then have property, that exclusion laws are immoral, that a heaping-up for the future is no valid defense against the present need of another. Society has hardly yet accepted condemnation for its utter failure to secure to every man sustenance, leisure, and a rational development.

Or if, according to some of these assertors of an absolute property right, the right to property and sustenance — defeated by our present laws in the majority of individuals — renders poor laws and legal bread lines obligatory upon society (surely an immensely curious conclusion), it is not easy to see why these theorists should not counsel the poor-law-bread-line recipients to luxuriate in the primitive property right rather than to suffer miserably upon the poor-law-bread-line derivative. Could antic ever be more comical — pity, the dark, tragic background. The theorist of the absolute right of the individual to property sees social arrangement shut out a mass from the banquet of life — this property right violated,— yet in the name of this same outraged right he obligates society to maintain poorhouses, poor laws, and bread lines, while in many cases the granaries of society are bursting. How the gods of Epicurus must laugh! How old Puck must hoho — "What fools these mortals be!"

Roman Catholic divines (Leo XIII, Vaughan, Cathrein) maintain the justice of this situation by claiming for every individual the abstract right to hold property; an empty form they concede it to be, if there be no possession. But they do not make clear except by recommending that the present rich be charitable, nor can they make clear, how any one of the huge majority is to realize, to fill up, his empty abstract right save in conjunction with exploitation active or passive, when all the natural sources of production have been pre-empted. They do indeed theoretically concede the power of society to limit the fact of possession, but neither Leo XIII nor his expounders take notice that if from the abstract medieval world of an Aquinas to whom they appeal, the question be transferred to the concrete complex world of to-day, either their medieval individualistic world (long since really extinct) must completely rupture, or else even its merely shadowy image can maintain itself only when conjoined with exploitation. (See Chaps. III, IV, V.)

EGOISM AND ALTRUISM

Merely a word or two upon another point, upon egoism and altruism, upon selfishness and sympathy. Our whole social economic structure rests theoretically upon the appeal to the selfish, while, in fact, as we have in effect just seen, the whole man is pre-eminently social in origin. Both his physical and mental make-up are social products. Desocialize a man and he ceases to be anything human; he becomes a mere thing. This consideration theoretically abolishes the naked selfishness of individualistic economics. It is a call to reconsider the abstraction of the economic man. On the other hand, the mental, moral, and spiritual quality of the individual counts in the qualities of the social organism. There must be some sort of adjustment of the claims of the individual as individual with the claims of society, and the question arises how and who determines the range and limits of the fusion of the two principles. It is certain that no man can live to himself alone. He can no more do without some society than

some society can do without him. Each needs the other. Thus, then, we find ourselves again thrust back to concrete social forces and classes which measure out these principles and their relations.

Ever the reformer toils and moils to direct the course of the unwieldy social bulk. Often, all too evidently, in vain. The grooves of its movements are deeply worn. The parts, because of inertia of mind and habit, fit too closely to the pathways. The prevalent means and methods of production and distribution generate mass opinions and sentiments not readily modified or overborne. The average individual is insignificant over against the whole. But so important is initiative and individuality that the ideal need arises to secure a social constitution which shall destroy that individuality as little as possible. Approximate equality the test, then the mass must rise to higher and higher levels. One part at least of an ideal goal is an economic status for all in which each may fairly try to unfold his highest possibilities, subject always, however, to the social obligations which alone constitute his ultimate foundations.

CLASS STRUGGLE AND CLASS CONSCIOUSNESS

The goal of this discussion of property and theories of property can be nothing else than to get sight of those forces which, however disguised, are after all the makers, determiners, and sanctioners, not merely of property rights, but of rights in general, of ethics, of legislation, of social, political, and economic organizations. We want to know the causes, the moving powers, the relatively final generators and controllers of the vast and varied phenomena of which property is but a part expression.

In the various theories noted, one finds various hints cropping out in this direction. The words origin, cause, foundation, sanction, as applied to property and to right in general, all have so varied and ambiguous a meaning that confusion must and does arise. Thus, one theorist says "Law makes right and justice," while another says "Right makes

law or is the sanction of law." Others again talk of the "higher law," or take refuge in the divine. Still others appeal to physical force socially applied, others, again, invoke economic necessities. Each makes out a plausible case. The result is cause and consequence are completely confused in a mind endeavoring uncritically to hold all together; systematized results get to appear as causes or sanctions; abstract generalities are made to function as independent real things; relatively concrete generalizations are torn from their limitations and are made to appear more complete and general than they should. Thus in seizure, occupation, or possession, an actual fact socially accepted under certain conditions is torn loose from these conditions and is made to apply generally. This attempt contains almost every vicious procedure indicated above. You have the mature individual, absolute right, selfishness and what else treated as completely real. A non-social act is transferred to social relations as if these were wholly of a piece. And if law and society should accept and validate such an act, the act is said to sanction the law as being right. In fact, however, society was before the act of appropriation. Society permitted the appropriation and thus made the act right, that is, acceptable at that time and place.

The fantasy of the original social contract contains all these vices. It assumes mature individuals, absolute individual rights, and so forth. What it does, is to group together actual, relatively stable phenomena and relations, and conceiving them as an independent whole it then thrusts the concept back into the past as the causal motor of the course of development. Or it conceives the product of a social evolution as the conscious purpose or idea which guided the evolution. It attributes to past ages and peoples ideals which they never dreamed of; and thus in criticizing any past society, it really constitutes its own test as final, and assigns as motives to previous peoples thoughts which they never entertained. It follows from this, that it fails to conceive the evolution aright, and that therefore it misses in

much the real agents and their actual motives. Similarly, labor as primitive source of property right may be too vaguely handled. Only, of course, the labor idea is getting closer to real causal factors.

Again, in law and the state we are getting closer and closer to real things. Law and government throb with life. The real agents are but thinly veiled. The chief error is that these forms suffused with reality are treated as the primary agents. The product is taken as the producer, the garment is put in place of the man. The vice is that seen before, though not so gross, the vice of treating an abstraction as a complete real.

For law, governmental forms, "social contracts," rights of possession, do but express the wills, interests, passions, judgments, and ideals of actual human beings. Behind all religions, ethics, legislations, and governments, have stood red-blooded men and women driving through as best they could their judgments, ideals, passions, and interests. No legislation, no ethical system was ever an independent self-evolving entity. They are all the product of man in social relations. He is their cause and sanction. No matter how much each passing man is constrained and molded by surrounding social relations and ideals, he is still with his passions and powers the constant re-creator of the existing social conditions; no fiat of his "pure reason" can shake him loose from his physical and physiological bonds. His social conditions he passes down the stream of time in much the same manner and by the same methods whereby they came to him. As he is the constant re-creator of society, it is manifest how a variation in his and his fellows' purposes and powers causes a change in social and ethical concepts. The fantastic idea of the self-evolution of a ghostly abstraction gives way to the perception of the fighting, loving, lusting men and women at once the cause and the product of social connections. Any view that does not again and again touch, Antaeus-like, the earth of actual social relations is certain to lose force and vitality. In time it diverges with its fixity more and more

from the changing reality; more and more it becomes an attempt to substitute the part for the whole, or to make an abstraction play the part of a full reality.

Man, himself, then, is the motor and the moved. Laws, ethics, politics are his product. He is their cause and their sanction. His ideals, passions, and interests are the subjective motors. All the theories noted contain this truth however disguised. History demonstrates it. Life itself as it strikes upon us through others is an ever-present witness. Moreover, it is living man who is this cause and sanction of the laws, ethics, and policy of this or that particular existing society. Rooted he may be in the past; but this only means that present man re-creates the past in and by his present constitution. Reaching out he may be into the future; this only means that present man has certain purposes, which he seeks to realize. In each society progressives and conservatives fight out their battles; changing institutions register the results of the clash of living forces. To the progressive, the conservative represents a dead or dying abstraction; to the conservative, the progressive represents another hallucination seeking to replace "the tried and true." Always, however, the active powers concerned are the emotions, judgments, passions, and interests of present blooded men.

Now this hot-blooded man is an extraordinary multiplex of qualities. As stress is thrown upon this or that facet, a seemingly different theory emerges. For many purposes, man presents a broad dualism; he is spiritual and physical, and the question now is, which of these two sides is, as it were, the long-run dominator. This question must be grasped, for only by understanding it can we measure the relative value and force of the various sanctions; only thus perceive why and how far a man can appeal to ethical, material, and economic motives.

The appeal must be to present man, a complex of mind and body. Mind apart from body is not yet known. Disembodied spirits exist as yet only in tales. It follows then that

such doctrinaires who base their theories on the super-earthly, on angelic natures, or disembodied minds — transcendentalists, spiritualists, metaphysical theologians, can not pass muster for a scientific account within the range of workable human knowledge. Notice again, this is not a denial of these other aspects and possibilities. It has nothing to do with a future ultra-mundane life. It simply insists that until these other phases submit to verifiable presentation and experience, they shall not obtrude themselves as intellectual factors. Faith and the heart shall not usurp the functions of reason and the head. As little on the other side shall the corporeal assume to displace all ethical and emotional aspects of man. The emotions are just as real as the intellect, perhaps in one sense more real. A solution for the head can not therefore neglect to consider the heart among real factors.

So then we come to the economic conception of the matter. Economic considerations are the long-run determiners of human destinies. Man is moved by many impulses and motives, physical, mental, and spiritual. Each of these has more or less an economic aspect, and it is this economic aspect which in the long run controls and molds a situation.

First of all is the instinct of mere physical existence. What will not a man give merely to preserve alive this mixed state of soul and body? Self-preservation is life's first law. Deviations from this are often held to be prima facie evidence of insanity. The law is registered in every cell, bone, and muscle of our bodies. Every start at danger, every instinctive instant withdrawal from pain, every attitude of offense, of defense, taken without apparent pause for thought — all are incarnations of the law of the survival of the fittest. The entire animal and vegetable worlds present like phenomena.

After the preservation of life comes the impulse and struggle to increase its range of power and enjoyment. The preservation of life, its increase in range of power and enjoyment, these seem to be the most widely diffused human demands.

But this means at bottom increased production and control, direct and indirect, of material goods. Culture, heightened

life means an increase first of food, raiment, shelter, and then of all the material foundations of spiritual life, books, arts, society, social conveniences. Apart from these culture is a mere word, corresponding to nothing real. Close your eyes as you will, spiritual culture can not arise apart from a storing-up of the results of increased material production. A Tolstoy could never have run the gamut of ethical and religious eccentricity, and finally have imagined himself to be a special medium to transmit the divine influence, had not the world for ages heaped up a mass of material goods. Life, then, and increase in its range and power, are the constant human demands. At all events, the mass of life before us, and the pages of history disclose that these are the great quests. But just these in their totality constitute what is called the economic forces of society. Accordingly, the mass of social relations is but the expression of economic power.

Life first, and then some range of freedom, power, and opportunity, must exist before ideals of culture can arise. The realization of these ideals is so straightly bound to physical and physiological needs, that it may be truly said spiritual culture itself can at bottom be only transformed or transfigured economics. In the very first human experience are wrapped up sense, desire, emotion, fancy, and imagination. Spiritual culture but seeks to widen, deepen, and refine into longer-during, more exquisite enjoyments the first cruder manifestations. It never can and never does seek, except fitfully, to break the bonds of life or to dry up the wellsprings of enjoyment. It must certainly in this life ever bottom upon external material relations. Indeed, close inspection will show how diversely, how seductively the economic can and does disguise itself in all other forms, ethics, divinity, charity, sympathy. Often in all these the economic masquerades, ashamed of its origin, denying itself, and yet in this very denial a plain liar at last.

The economic in widening its horizon takes on more and more the aspect which we call ethical. At one time, it is starkly personal or tribal, frankly and savagely selfish. As

reason develops in wider experience, the economic becomes wide-ranging, considerate of others, reaching over large spaces and distant times. It enshrines itself more or less nakedly in laws and politics, more or less selfish, more or less beneficial. It generates ideals; larger experience demonstrates the solidarity of the race; from this vision, man rises above the brutally selfish; ethics are born. Thus, then, in vast part, laws, politics, and ethics are simply transformed economics.

In this seething aggregation of socialized individuals all sorts of powers and qualities characterize the various persons. All sorts of interests, all degrees of farsightedness exist — all sorts of bonds of sympathy are found. Hence again all sorts of classes arise and all sorts of clonflicts, class conflicts, individual conflicts, individuals against classes and against social regulation; from which spring fines, prisons, jails, political parties, social contests, civic broils, international wars, and rumors of wars,— in two words, you have Marx's class struggles, real men and women, under what banners and with what fantastic devices you will, putting through into law and ethics their economic ideals.

With these genuine fighters, contrast the bloodless abstractions of absolute impersonal ideals. Ethical development, the unfoldment of reason toward perfection, what figure do these concepts present, conceived of as self-unfolding realities? Are these the real, and the passionate men and women the shadow puppets of their inner development? How many persons do you find in any age or generation who give themselves up devotedly to the cultivation of pure reason, of pure ethics? What a minority, pitiable in numbers. And yet, look at these through the lapse of ages, and you can see every one of them the prisoner of the time-spirit of his century, who reads into seemingly impersonal general formulae the dominant economic ideas and needs of his times. Aristotle and Plato, living on the sweat of slaves, could not conceive a society without slavery — slavery was therefore right — nor of manual work as other than degrading. A churchly Aquinas amid

a victorious papal age bends all science and learning to give theology that is, the church, a predominance in theory and science, such as the church had in reality. A Jewish Maimonides could not escape the influence of his oppressed religion nor the religio-economic pride of his priestly class. A Kant, a Rousseau, a Fichte, a Hegel, a Spencer record in abstract seemingly absolute terms, ghostly adumbrations of the economic statics and dynamics of their times. To-day thousands are philandering with Socialism and Christianity, reading the one into the other and vice versa. In all these idealistic theories you have partial abstractions seeking to represent themselves as independent wholes. Behind these all, the substance of them all, you find real men in the throes of class struggles.

There can be no honest denial of the relative efficacy in numberless individuals of the range and power of the so-called purely ethical and purely spiritual. Thousands and thousands of acts every day testify that the wholly selfish, completely unsympathetic, merely animal individualism can not and does not compass the range of human life and its manifestations. The economic is not identical with the purely selfish. The two are not to be confused. We have indicated how the ethical grows out of a wiser economic. As altruists we may rejoice that the economic widens beyond the nakedly selfish, and that thus even the nakedly selfish man must pursue a policy which in the long run does not outwardly differ from the so-called purely ethical. Thus, man, with widening intelligence and widening power through the solidarity of class and other interests, forces egoism to yield the fruits of considerate altruism and love.

Accordingly, then, with property as a social possession and power,— as its origin lies in society and class struggles, so its course of development and its future changes rest in the same powerful grasp. It will become what the clash of interests in the struggles of classes makes it become. There is no finality about its present status; there can be none. No human power can, and judging from the past, no divine power

will ever say of it:— "Your course of development is closed, thus far shall you go and no farther."

From the foregoing the following is evident. Property relations, tribal, communal, and private have undergone innumerable changes in the past. These changes were brought about by the changing views and economic relations of men with power to effect their desires. Changes brought on economic and social results; these results in turn generated new classes and additional struggles. This was the history of the past. The same forces work to-day. The like is to be expected of the future. Phrase it as you please in religious, ethical, juristic, or cultural garbs, these motives simply can not separate themselves from economic needs. Indeed, they may be regarded, in part at least, as extensions of the economic. At first, protoman and the primitive savage, though social in origin, could see only from the nakedest self-preservation view-point. The ages have taught man his dependence upon his fellow. His own selfish ends are even now best conserved in the long run by a considerate regard for his companions. This permits the development of altruistic views, which, like all other concepts, may be so abstractly regarded as to land in the realm of dreams. But with all that, advance has been purchased at no other price. It follows further, if any change is to occur in the production, or especially in the distribution of those goods we call property, this change can occur only from power. If, for example, the Socialists' demand be ever realized, that can come only from the intelligent use of power. If the workers feel themselves unjustly treated, the cure lies in their own hands. They must appropriate power, and having appropriated it, they must maintain it. Power will never come to them as a gift. When they shall have learned to take, to hold, and to keep, then it is theirs. And when that time comes, it will still be superior power and intelligence in the seats of the mighty.

CHAPTER III

ETHICS AND PRODUCTIVITY THEORIES OF INTEREST

SEEMING STERILITY OF ETHICAL SYSTEMS; CHANGING CONTENT OF ETHICAL CONCEPTS; ECONOMICS AS CAUSE; ETHICS AS IDEALS.—CLARK'S ETHICAL PROBLEM; QUOTATIONS.—CLARK'S ECONOMIC PROBLEM; DEFINITIONS AND ASSUMPTIONS: PURE LABOR; PURE CAPITAL: ENTERPRIZER; STATIC STATE; NATURAL LAW OF DISTRIBUTION.—CLARK'S SOLUTION: INDEPENDENT PRODUCER; FARM ILLUSTRATION; INDUSTRIAL WORLD; ECONOMIC CAUSATION; LOCATING THE MARGINAL POINTS.—PURE SCIENCE PROBLEMS.—EXAMINATION. I. ECONOMIC CONFUSIONS: PHYSICAL CAUSATION AND SOCIAL DIVISION; MATHEMATICAL, ECONOMIC CAUSATION; PSYCHOLOGICAL, PERFECT COMPETITION AND REAL LIFE; LEGAL NECESSITY AND REAL NECESSITY; ETHICAL AND RELIGIOUS FINALITIES; STATIC STATE AND ACTUAL SOCIETY. II. ETHICAL CONFUSION, IMPUTATION VERSUS CREATION: LANGUAGE SUBSTITUTIONS; FARM ILLUSTRATION; PRIMITIVE ECONOMY; MACHINE ETHICS; ABSOLUTE RIGHTS ILLUSION; HUMAN SYMPATHIES; MUDDLED EXPRESSIONS OF ECONOMISTS; PRIVATE PROPERTY; INHERITANCES; NO EXPROPRIATION; MAN VERSUS MACHINE, BEAULIEU; NATURAL DECAY OF CAPITAL. III. INTEREST AND INSTITUTIONAL ROBBERY: CLARK'S STATIC STATE IS INSTITUTIONAL; TEST, CREATIVE CONTRIBUTION; PURE CAPITALIST NO CREATOR; LABOR WITHOUT CAPITAL, UNPRODUCTIVE; SOCIAL SPENDERS; INTEREST NECESSARY TO PRODUCTION; ENTERPRIZER AND PURE CAPITALIST; STATIC LABOR STATE; PROPERTY, A STIMULUS TO CRIME. IV. ETHICAL PURIFICATION BY FUNCTIONAL DISTRIBUTION: PURIFICATION BY ABSTRACTION, BY MATHEMATICAL AVERAGES; REAL FORCES; ANSWER OF HISTORY; SUICIDE OF ENTERPRIZER.—CONCLUSION: CLARK'S ETHICS RELATIVE, ECONOMIC IN FOUNDATION, AND TRANSITORY.

Ethical, religious, or broadly speaking, philosophical questions differ greatly in one respect from questions of purely materialistic science. An objective scientific problem once solved tends more or less to remain solved, and at the same time to furnish a foothold, as it were, for further advance. Succeeding scientists push their inquiries into other fields. They glean new truths, perhaps recast the form of expressing

or representing the old, as in the Copernican substitute for the Ptolemaic astronomy, but always they are on the advance. Their impersonal objective tests and modes of verification are perhaps the secret of the firmness of their grip and of the steadfastness of their results. On the other hand ethics, religion, and in general, philosophy seem to thresh over endlessly the same old problems. Aristotle's Nichomachean Ethics of 300 B. C. and an up-to-date treatise on Moral Philosophy contain the same topics, the same nomenclature, and similar methods of treatment. So much alike are the surface appearances, and so many and keen have the minds been which have discussed these matters, that to some the whole subject of general philosophy, as it may be called, seems utterly sterile. Its problems, whether ethical, religious, or metaphysical, appear to be quite insoluble, or any given solution is hardly framed before it in turn begins to split into pieces. Progress in these fields seems a word of unknown meaning or application. Again and again however the human mind returns to these unsettled questions. Why then this perpetual round? Are these problems really independent and insoluble, or are they after all to be conceived, not as independent in origin, but rather as the reflection of other dominating elements? Though in ethics for example one finds the same general terminology, one finds also the content or ideas expressed by the words to be constantly changing. If ethical problems were independent and objective in the sense in which the problems of physical and mathematical science are objective, so much concentrated thinking as has been put upon them should ere this have yielded some tolerably steadfast solutions. If however they are for the most part only reflections from other and changeable elements, one can understand not only the change in their content, though their language be the same, but also their perennial interest.

The question then must quickly follow: — Are these subjects of thought after all really independent, and if not, what are the foundation and the motor elements from which they derive their continuous life?

Karl Marx, the Socialistic economist and philosopher, and Frederich Engels, his friend and co-worker, expressed the thought that economics, the mode of the production and distribution of material goods, is the controlling factor in social evolution. Economics determine consciousness in general. As a result ethics are forever attractive, because of the practical interests lying at their base. Ceaselessly ethics change or ethical solutions split asunder, because practical relations in the mode of economic production are changing ceaselessly. A new tool, machine, raw material, or process, has a far reaching influence; it alters the economic status of this or that set of persons. This alteration of status reflects itself in changed concepts of good and of right.

Ethics, as they often meet us, take on the form of ideals. They come to us as commands. They wrap themselves in the garments of absolute truths, eternal rights, inextinguishable privileges, powers, and duties. They demand acceptance, submission, reverence, devotion. They claim the right to control all other human thoughts and activity, and therefore the right to dictate economic relations. They thus outwardly appear more the creator of economic connections than the idealized reflex of material and social conditions. These claims of ethics we have all heard so often and so long that more or less instinctively we respond to them. They have been drilled into us from our birth. Every day of our life is a training in them, especially in our earlier years when social education in family, racial, national, and class relationships is liveliest, and critical faculty is weakest. Hence our almost instant response to invocations to liberty, to right, to nationality, to local pride. The tom-tom orator who thumps the drum of a "square deal," provided only he be shrewd enough not to overdo, is sure to find a large, enthusiastic, but rather blind following. We are thus between two fires if both Marx and our social instincts be right, hard economics on one side, and passionate idealism on the other. It is however our present purpose to try to show that after all there is no such chasm between economics and ethics as

is implied above; rather that in real life it is practically impossible to sever the two.

In view of this close connection between economics and ethics, it is not surprising to find that Prof. John B. Clark of Columbia University, in his "Distribution of Wealth," 1902, an "epoch-making" work according to some colleagues, represents ethics to be a driving motive of his economic discussion. Though his treatise is strictly economic, he is not satisfied to trace out as a specific science problem the forces or processes of distribution under existing conditions and to formulate them in laws. It almost appears that the ethical side of the problem is for him the more important. Not merely would he make plain the distributive processes and their laws, he would also have us infer their ethical sweetness and purity. ("The Distribution of Wealth;" Pref. and Chap. I.)

CLARK'S ETHICAL PROBLEM

On page 3 of his book he says: " * * * the natural law of distribution * * * more hinges on the truth of it, than any introductory words can state. The right of society to exist in its present form, and the probability that it will continue so to exist, are at stake. These facts lend to this problem of distribution its measurless importance." On page 5 he says: "The *right* of the present social system to exist at all depends upon its honesty, but the *expediency* of letting it develop in its own way depends entirely upon its beneficence. We, therefore, need first to know whether we have the right to let natural economic forces work as they are doing; and we need next to know whether, on grounds of utility, it is wise to let them work thus." On page 7 he tells us: "Rights are always personal; and only a sentient being has claims, as only an intelligent being has duties. * * * There is, then, no issue of right or wrong that wages as such fall from a dollar and a half a day to a dollar; but the taking of a half-dollar from the daily pay of each member of a force of men, and the adding of it to the gains of an employer raises be-

tween the parties a critical issue of justice or injustice. The question is: Has the employer taken something that the laborer has produced? Exactly this issue is forever pending between industrial classes. Every day, a definite amount is handed over by one class to another. Is this amount determined by a principle that humanity can approve and perpetuate? * * * If each productive function is paid according to the amount of its product, then each man gets what he himself produces. If he works, he gets what he creates by working; if he also provides capital, he gets what his capital produces; and if, further, he renders services by co-ordinating labor and capital, he gets the product that can be separately traced to that function."

On page 8: " * * * We might raise the question whether a rule that gives to each man his product is, in the highest sense, just." * * * "It [the rule of certain socialists, 'work according to ability and pay according to need'] would violate what is ordinarily regarded as property right. The entire question whether this [property right or above rule?] is just or not, lies outside of our inquiry, for it is a matter of pure ethics. [Query, what are the pure ethics of property?] Before us, on the other hand, is a problem of economic fact. Does natural distribution identify men's products and their gains? Is that which we get and which the civil law enables us to keep really our own property by right of creation? Do our actual estates rest from their very beginnings on production?"

On page 9: " * * * A plan of living that should force men to leave in their employers' hands anything that by right of creation is theirs, would be institutional robbery — a legally established violation of the principle on which property is supposed to rest. * * * If the law on which property is supposed to rest — the rule, 'to each what he creates' — actually works at the point where the possession of property begins, in the payments that are made in the mill, etc., for values there

created, it remains for practical men so to perfect the industrial system after its kind, that exceptions to this prevalent rule may be less frequent and less considerable. We can deal otherwise with robberies that are not institutional; but it is evident that a society in which property is made to rest on the claim of a producer to what he creates must, as a general rule, vindicate the right at the point where titles originate, that is, in the payments that are made for labor. If it were to do otherwise, there would be at the foundation of the social structure, an explosive element which sooner or later would destroy it. For nothing, if not to protect property, does the state exist. Hence, a state which should force a workman to leave behind him in the mill, property that was his by the right of creation, would fail at a critical point. * * * Property is protected at the point of its origin, if actual wages are the whole product of labor, if interest is the product of capital, and if profit is the product of a co-ordinating act."

The foregoing extracts plainly enough tell us that Prof. Clark's economic campaign is also an ethical engagement. He takes upon himself to issue under the banner of ethics a defense of our present industrial society. We are interested in this knightly enterprise of Prof. Clark, not mostly from the economic side, nor from the merely ethical side. We wish rather to present it as "Exhibit A," how economics gets itself transfigured into ethics; how a scientific solution of a scientific problem within certain limitations manages to cut loose from those limitations; and in particular, how partial ethical ideals appealing to a more or less limited number or class strut about in forms of generality and of universal validity not properly their own.

Apparently Prof. Clark's ethical defense of our present industrial society rests mainly upon the following propositions: (a) An "honest" division of an economic product must be in proportion to the "creative" contribution of each of the combined elements. (b) Present society through "a natural law of distribution" tends to realize more or less this division

according to creative contribution. (c) This "natural law of distribution" is an expression of natural forces common to all social forms and institutions. It is therefore in a proper sense extra-institutional and therefore (d) our present society is not "institutional robbery."

In general it will be noticed that propositions (a) and (b) constitute a nice attempt to blow up with its own petard the socialistic charge of exploitation. The socialist makes and reiterates the demand that labor shall receive its full product, and protests that in fact the worker is deprived of a greater or less part of what is his due. Clark practically replies in his book that the actual wages paid do represent that full product, and hence the exploitation theory is not sustainable. Proposition (c), which places the problem of the division of a product outside of institutions, lays a foundation for those inalienable and indefeasible rights of which for ages authors have made so much.

Prof. Clark tells us that "the majority of men live chiefly by labor." A mass of wealth is continuously piling up in society. More could be piled up, if even the present productive powers were let completely loose. And still more might be accomplished by improving productive instruments, if proper opportunity and motives were given. At one extreme of society we have lords, ladies, millionaires, captains of industry; profusion, almost limitless abundance, and an astounding prodigality. At the other extreme is poverty, destitution, degradation, crime, millions of unemployed, and "the submerged tenth." "Nine-tenths of the wealth of the United States is owned by less than one-tenth of the population." Similar figures exist for Germany, Great Britain, and France. Such glaring contrasts,— some say the most glaring the world has ever seen,— start questions. The great question is whether the majority of men living chiefly by labor are defrauded or not of what they create; not merely whether here and there some are cheated by this or that employer, but whether society by its very institutions does not accomplish this act of fraud. In the face of the violent contrast

indicated above, Prof. Clark undertakes to demonstrate scientifically that present society tends to give to labor all that it creates, to capital all that it creates, to the organizer of industry all that he creates. Exploitation, dread word, name indicating an "explosive element at the foundation of the social structure," tends everywhere to disappear. "God's in His heaven — All's right with the world!"

CLARK'S ECONOMIC PROBLEM AND SOLUTION

On page 5 he says: — "The whole income of the world is of course distributed among all the persons in the world, but the science of distribution does not directly determine what each person shall get. Personal sharing results from another kind of sharing; only the resolving of the total income of society into wages, interest, and profits as distinct kinds of income, falls directly and entirely within the field of economics. Each of these shares is unlike the others in kind since it has a different origin. One comes from performing work, one from furnishing capital, and one from coordinating these two agents. * * * What we wish to ascertain is solely what fixes the rate of wages as such, and what fixes the rates of pure interest, and of net profits as such. * * * What is beyond his [any man's] control, and fixed by a general and purely economic law, is the determination of the product that labor and capital in themselves can create and ultimately get."

"We are then to seek only to discover the forces that fix the amounts of the three kinds of income." In pursuit of this quest, Prof. Clark traverses some 442 pages. There are definitions and distinctions galore. We have the "static state," "heroically imaginative;" we have labor, pure labor, units of social labor; capital, capital goods, pure capital; wages, interest, rent, profits, value; marginal efficiency of consumers' wealth, of producers' wealth; final increments, laws of final utility; final productivity, economic causation, perfect competition, and so on; in fact a perfect network of abstractions carefully, planfully woven and handled with

great dexterity. It is neither necessary nor desirable for present purposes to follow Prof. Clark along all his threads, since we are concerned not so much with his economics as such, as with the economic basis of his ethics; we must however seek to give the spirit at least of some of his fundamental definitions and assumptions in order to estimate the ethical result.

It was implied above that labor, capital, and the enterprizer's skill entered into a combination and created a product. Labor enters the combination, bare and "empty-handed;" — properly without any tools, instruments or capital whatsoever, pure labor power, nothing more, nothing less; a kind of force or energy incorporated, it is true, in a human sensitive body, but for productive purposes an element of force wholly for the period of production at the disposal of some one other than the worker himself. Indeed so abstractly must this labor power be taken that it must be conceived of as independent of this or that laborer. It flies with perfect celerity from one body to another body. The laborer sickens or dies; the labor power represented by him instantly and perfectly migrates to another human body. The individual worker is nothing; his labor power is the only significant thing about him. In short labor power is treated purely abstractly, just as is gravitation or other physical forces representable by an algebraic formula.

Similarly capital, represented by tools, instruments, machines, land, money, is properly the force or power incorporated in lands, houses, mills, machinery, raw material, money, finished products so far as these when disposed of are turned back (in values) into the productive process. In short, abstractly considered, material force apart from human labor force, no matter in what forms it may be represented, is capital power. It too is like labor power perfectly abstract. It flies from machine to machine. A machine, as it wears out, virtually creates another machine. No capital power apart from disasters is lost. The power represented by a machine half-used-up is supplemented by that in the half-

created machine. The total power is the same as when the first machine began its first productive movement. Pure capital power is a pure abstraction, or if you will, it is a power treated purely abstractly.

The enterprizer, the captain of industry, is he who combines or organizes the two agents, pure labor and pure capital, and directs the productive process to a certain end. This too is a kind of energy. Prof. Clark does not carry the enterprizer's force to such a degree of abstractness as he does that of capital and of labor. Now these three forces combine in order to produce goods. Each does its share. Labor takes its product in wages, capital takes its product in interest, and the enterprizer takes his product in profits, each in proportion to his creative contribution.

In seeking the solution of the problem Prof. Clark demands another heroic feat of imagination, namely, that we should construct a "static state." By which he means a state of society in which there shall be no change in the labor power, quantity or efficiency; no change in the capital power, in tools, machinery, processes; no inventions, no catastrophes. All shall be just as it now is, without change in the nature, character, or results of production. Thus all existing tendencies would have a chance to work themselves out into a perfect equilibrium. We should have the pure results of the pure powers working together. Besides this, Prof. Clark demands perfect competition in his static state. Capital is perfectly mobile; it goes always and without friction to its goal, the attainment of as much interest as it can get. Labor is perfectly mobile; it goes always and without friction to its goal, the attainment of as much wages as it can get. This perfect competition is essential to Prof. Clark; without it his solution is blocked and ethical purity becomes invisible.

One other thing seems in need of clear statement. What are we to understand by a "natural law of distribution," or otherwise expressed, what is a "scientific law" of wages, interest, and profit? Prof. Clark is to show a tendency in

modern industrialism which establishes at least its "honesty" in distribution. This tendency is to appear independent of social institutions; there shall be no "institutional robbery" in order that no "explosive element lie at the foundations of society." Now it appears that Prof. Clark admits a little too much ambiguity in his terms, "natural," "scientific," 'extra-institutional' law of distribution. These terms are not exactly synonymous. Given certain social data somehow fixed and determinate, then a clear statement showing the interrelation of the data and the results following may take the form of laws, and these laws may be both "natural" and "scientific." This fact however need not render the law extra-institutional, for the data themselves may explicitly or implicitly involve the institutions in question. Now since Prof. Clark certainly desires that his law of distribution escape institutional origin, he must make it perfectly sure that he has cut off all such possible influences; otherwise his attempt may be abortive. Prof. Clark makes the attempt, and, if we mistake not, he fails.

In seeking for "a natural law of distribution," for "a scientific law of wages, interest, and profits," Prof. Clark at first simplifies the problem into the question of ascertaining the parts of the product created by labor and capital respectively. The economic problem thus put resembles in part that of the composition of forces in mechanics. The determination of the component result of two forces of the same kind is in some parts of physical science not particularly difficult. A blow of seven pounds delivered upon a ball of a certain weight can readily enough be compounded with another blow of, say, ten pounds upon the same object. With adequate data, the exact resulting position of the ball can be figured out. The inverse problem, the resolution of the effect into the respective contributions of two forces, is not likely to give any definite answer. Unless a number of other exact data be given, the problem is apt to remain indeterminate. Of course when the forces themselves are of unlike nature, the mere science problem becomes still more troublesome.

Hence even though Prof. Clark by abstraction has seemingly got his forces to be pretty much of the same nature, pure labor power, pure capital power, his problem may yet not be quite so simple as at first sight it seems to be.

One case at least of this problem appears to be abandoned, even by Prof. Clark himself, the case of the capitalist-laborer, the independent producer. When such a man applies his own capital, tools, and instruments and also his own labor power to the production of an article,—"Hopelessly merged with the product of [his] capital is the product of the labor of an independent producer. Instead of presenting the condition in which the wages of labor are readily distinguished from other incomes and identified as 'the product of labor,' such a primitive economy as actually exists is one in which it is impossible to say what the product of labor itself is" ("D. of W.," p. 84).

It would perhaps be rather hasty or narrow to express any strong dissatisfaction with Prof. Clark's surrender in this case. He wants a solution of the general case, not one good for only a special instance. Yet, after all, special solutions may shed light. Within his limits the independent producer has perfect competition; he can substitute his labor power for his capital power; he can vary the respective quotas of each. He can come to the production "empty-handed" or even with a tool whose capital value is so small as to be "negligible" ("D. of W.," 89, 160). Certainly in some cases he can evaluate empty-handed labor and machine labor. He can "empty-handed," that is, without tools or implements, carry bricks for eight hours a given distance, and compare that result with the result of using a wheelbarrow as an aid for the same length of time.

But with Prof. Clark abandoning the independent producer as giving only special solutions, take his first simple illustration as to how the contributions of labor and of capital to a product can be determined with scientific precision and generality. A farmer possessor sets to work on his farm an empty-handed, able-bodied laborer; a certain product is ob-

tained. The farmer adds another laborer to the force; a different product is obtained, usually not double the first product. Another laborer is added, and still another, each time with an increased result, but usually each addition to the product is less than the preceding addition, that is, the law of diminishing returns is manifested from the very outset. Now how long shall the farmer keep adding laborers to his force? Manifestly not longer than it is profitable for him to do so in accordance with the ruling wage scale. Evidently when the addition to the product made by a laborer does not exceed in value the wages paid to him by the farmer, the farmer gains no profit. When the value of the increment exactly equals the wages paid, the farmer must stop, or he will lose on the next man. The laborer takes his wages, the equivalent of his product. But further, since the laborers are substantially of the same grade, being in perfect competition, each may take the place of each, they are interchangeable; no man can get more than the last man gets, all take the same pay. The farmer takes all the surplus above the wages paid out to the men. In case of workers of different grades the principle is in no wise altered. The men in each grade being by perfect competition interchangeable, all must take what the last man in their grade can get. These last men are marginal men; their products are marginal products. And "wages everywhere tend to equal the marginal product of the marginal laborers" ("D. of W.," p. 105).

Prof. Clark himself however tells us that this farm sketch is but a rude and insufficient representation. Hence he takes us into the great industrial world with its abundance of pure capital, pure labor, and with its perfect competition. Everywhere in this world are enterprizers testing the worth of capital-labor combinations. Improved, standard, and old machines are being tried out. This quantity and that quantity of labor power are being gauged. Capital flows to its greatest good, labor flows to its perfect reward. So that everywhere what a unit of social capital power can produce, and what a unit of social labor power can produce

are in process of learning. One enterprizer finds that his conditions enable him to use just so many interchangeable labor units, if he is to avoid disaster from diminishing returns. Another enterprizer finds a different result. They bid against each other either for capital, or for labor, or for both. Thus from the perfect mobility of labor and of capital, capital units tend to get the same reward, and labor units likewise tend to equality of reward. It is in this large world of which the farm constitutes only a minute fraction that true differential results are found, whereby the product of the last labor unit and that of the last capital unit are discriminated from the product of non-marginal units. Here the wage scale and the interest rate are really established. This wage scale and this interest rate tend to correspond accurately with the product of the marginal or last unit of labor and capital respectively.

Prof. Clark is enamoured of his tests. So that after his preliminary crude farm illustration and after his extension of the farm test to the whole industrial field, and still further after additional abstractions and assimilation of his conceptions to the law of final utility as applied to consumers' wealth, he returns to his creative tests. In Chap. XXI of his book he makes his complete and finished statement of economic causation, especially in connection with the idea of the exploitation of labor and of capital, and in comparison and contrast with statements made formerly by a German economist, von Thuenen. Von Thuenen saw in the productivity theory exploitation of labor and of capital, whereas Prof. Clark sees in his own "specific productivity theory" a law of distribution, "desirable and morally justifiable" (p. 324.) To quote Clark:

"Let the amount of capital remain fixed, * * * unit by unit join labor with it. ("D. of W.," p. 320.) Let the combination of C and L obtain a product represented by a certain rectangle (321). Now add a second unit of labor: the combination is C and 2L; represent the product of this new unit by a smaller rectangle" (321). "How do we esti-

mate the specific product of the new increment of labor? The essential fact is that the new working force and the old one share alike in the use of the whole capital and with its aid they now create equal products. The earlier men have relinquished a half of the capital that they formerly had, and in making this surrender, these men of the earlier division have reduced the productive power of their industry by the amount that the extra share of capital formerly imparted to it. This reduction measures the amount of the product that is attributable to the relinquished capital. Of prime importance is this fact that the product which is now attributable to the first section of the working force with its tools and other appliances has now become smaller than it formerly was solely by reason of the capital that has been taken from it" (323,-4,-5).

"Two facts are now clear: and we may state them briefly in two propositions which include a whole theory of economic causation — a theory that tells us to what agency each fraction of a composite social product is traced. (1) The difference between what the first division of workers created by the use of the whole capital, and what they now create is an amount that is solely attributable to the extra capital which they formerly had. (2) The difference between what one increment of labor produced, when it used the whole of the capital, and what two increments are now producing, by the aid of the same amount of capital is attributable solely to the second increment of labor" (325).

" * * * We have been careful to guard against the notion, that at any one time there is a difference between the products of different units of labor as such. Each of them with its share of capital produces one-half of the whole present output of the industry, but a half of the present output is less than was the whole output when only one man was working with the aid of the entire capital. This reduction measures the product of one-half of the capital as used by one unit of labor. On the other hand, the whole product, now that the two units of labor are working is

greater than was the whole product with one working; and this addition to the product is due solely to the accession of labor. The amount of the addition measures the product of that labor, and of all labor under the present changed conditions" (325, 326).

"If C stands for the amount of capital that is used in the industry and if L stands for one unit of labor, the difference between the product of C + L and that of (C + 2L)/2 is the amount that is attributable to one-half of the capital. The difference between the product of C + 2L and that of C + L is the amount that is attributable to a unit of labor" (326) * * * "Keeping the original capital intact, and changing only its forms, let us add a third unit of labor to the force, * * * and, if we continue to make similar additions to the force till it is complete, the product of the last unit of labor * * * is the standard of wages. It is the specific product of any one unit of labor" (327).

We saw above Prof. Clark's anxiety to determine the place of the marginal laborer and that of the marginal unit of capital. His whole theory so elaborately developed turns upon this point. Without it, he is lost; with it, he is perhaps not saved. Now how in fact is this margin of utilization to be located? This is the important question. On page 346 Prof. Clark tells us: "The product of any productive agent is, in fact, just what it can add to the marginal product of capital and labor," or "The product of any specific agent is what it can add to the product of the labor and the capital that work with it, when these products are thus computed on a marginal basis." On page 348 he says: "The fact is that wages and interest locate the margin. These determine how poor a grade of land it will pay to utilize. We follow the gradations of land downward till we get a piece that adds nothing to the marginal product of labor and capital, which is the same thing as saying that a piece produces nothing more than wages and interest. There we stop." Here for the individual enterprizer we are plainly back to the wage scale rejected in the farm illustration. On page 352 is

the statement: "The location of the several margins of utilization is effected by our comprehensive law. *Entrepreneurs* [enterprizers, captains of industry] stop using anything when they find that it adds nothing to the marginal product of other agents. Independently of all considerations of humanity, they would from mere self-interest stop employing the labor of child or of disabled person, if his work added nothing to the interest of the capital that they would have put into his hands." * * * 'Similarly with any capital instrument.' The universal law which locates them at any one time is: "All depends upon the quantities of the several agents that are brought together." "Abundant capital would mean a high rate of wages, as well as the employment of a poor grade of labor. Abundant labor would mean the employment of poor lands, poor tools, poor buildings, etc." He might have added; and a high rate of profit and of interest also.

Such in barest outline is Prof. Clark's solution of the economic problem, and from this answer his readers are to infer that ethical purity and sweetness so strongly insisted on in his "Preface" and "Chapter I." Before proceeding to a detail examination of Prof. Clark's work, we may point out as fundamental a situation which molds the question itself and the solution offered. Apparently Prof. Clark has on his hands only a "pure science" problem, namely, to determine the several contributions of labor power and of capital or machine power to the making of a product. This problem seems by abstraction to be quite independent of social organizations, and to be capable of treatment by usual scientific methods. But Prof. Clark gives no hint that *this* "pure science" problem bottoms for its origin and significance on the social opposition between *ownership* of material power and ownership of *mere* labor power. The "pure science" problem arose after the social division was an established fact. As a mere scientific question it would have had no such staying qualities, had not some powerful social influence been stiffly insistent upon putting its way through

at all costs. Only strong persistent motives could lead to overriding the great dissimilarity between labor force and machine force; especially since this dissimilarity necessitates larger assumptions than usual for even only the approximate answer to the problem. The essence then of this "pure science" question is in fact to find an answer which *shall* "justify" the owners' appropriating a part of the product. Inevitably as death, Prof. Clark, glorifying the bases of existing society, will find a solution which shall contain the "justification" sought. Furthermore all theories, which represent interest and profits as something issuing from the natural powers of material capital, are simply attempts to express, under the guise of "pure science," a division of an economic product in such a way that owners may, with ethical approbation of themselves and others, appropriate a part of the product. Hence for present purposes an examination of Prof. Clark's work will dispense with the claims of all other productivity theories.

The examination will be made under four large heads: I. The approximate economic solution is obtained only through confusions. II. The ethical defence rests upon a confusion of ethical tests. III. Clark fails to repel the charge of "institutional robbery." IV. Clark's method of "purifying" capitalism by "group" or "functional" distribution.

I. CONFUSIONS ON THE ECONOMIC FIELD

I. Confusion of Physical Causation and Social Division

Repeatedly Prof. Clark would impress upon his readers the "scientific" character of his law. He takes them back into primitive economies; he sloughs off all social forms by passing into the realm of physical causation; apparently his theory represents the necessity of physical science. ("D. of W.," pp. 25, 37, 40, 47, 82, 135). One therefore expects a solution in which the productive power of the agents involved shall be measured with something of the impersonal certainty of physical science. For example: suppose steam power and water power are combined to effect a certain result. The

steam power can be measured; the water power can be measured. The effect may be divided *pro rata* to the powers involved; a sum paid for the hire of the two powers could be split in the same proportion. In this case division would occur according to creative contributions. Rightly or wrongly one looks for a similar result from Prof. Clark's testings.

Turn now to Prof. Clark's simple farm illustration. Here land fertility and human labor are conjoined to form an agricultural product. The product is to be divided according to the respective contributions of the workers and of the powers of nature. How ascertain the respective contributions? Put an able-bodied, empty-handed laborer to work upon the farm. A certain product, AB, results. "When there was available only a piece of land with no labor to till it, the product was *nil*. When one unit of labor combined itself with the land the product was AB; and in this form of statement we impute the whole product to the labor." ("D. of W.," 195.) Singular creation. The land's power counts for nought; labor's power counts for all! Ah, but add another unit of empty-handed labor; a different product emerges, not usually double the first product, because of diminishing returns. The difference between this second product and the first product is attributed to the second laborer as the reward of his causal efforts. A like amount is now taken from the first product as the creation of the first laborer; this, because of diminishing returns. Necessarily a surplus remains. This surplus, Prof. Clark makes out to be the creative contribution of capital. "In reality this surplus is the fruit of the aid that the land affords and is attributable to the land only. A correct conception of the nature of any rent makes it a concrete addition which one producing agent is able to make to the product that is attributable to another producing agent. Land makes its own addition to the product of each unit of labor except the last" ("D. of W.," 195).

Hence on this farm, as labor units are added one after

another, and since diminishing returns hold throughout, each successive laborer creates less and less, and because of the interchangeability of labor units, labor's relative creative contribution as a whole must be regarded as diminishing and capital's contribution as increasing. In the end labor creates nothing and capital creates all; for as a physical fact the moment comes when not only will labor units added not avail to increase the product, but they may be detrimental by being in one another's way. Since the last labor unit contributed nothing, or was even a detriment, and since the labor units are all interchangeable, so each labor unit and all labor units create nothing or even owe something to the farm; the farm as capital takes the whole product, or even exacts a debt-toll from the workers. Now this creative contribution of the farm which when only one labor unit was added gave nil, and at another time created the whole product is certainly a curious thing, curious at least, not to say absurd. And the labor power which at first created the whole output, and yet when increased by unit after unit fell away to a zero product or less belongs to the same class of curios. As a physical fact the farm is working all the time; the labor power is growing all the time, and yet socially the farm is taking more and the laborers less of the total product. On this farm physical causation and social division seem to be utterly confounded.

This confusing of physical causation and social division, so nicely suggested and prepared for in the above quotations, permeates Prof. Clark's exposition from beginning to end. The contrast between capital's growing reward and labor's share is even heightened in his chapters on Economic Causation; there and elsewhere he indicates that in adjusting the same capital power to an increasing number of labor units, the capital instruments engaged must be regarded as increasing in number and as decreasing in efficiency.. Division here seems a sort of inverse of creation.

It may be said that the above criticism applies well enough to the physical quotas got out but not to the *values* created,

and of course Prof. Clark is establishing *value* productivity. Now by a value product is meant, not the physical quantities of products got out, but the prices obtained for the quotas. Expressing the matter in money terms, the net wages which labor receives are compared with the net money returns of the capitalist. The greater the product got out, the less the value or price per piece. Hence though the physical productivity of either the labor, or the machinery, or both, may increase or may have increased vastly, yet the value per piece may have gone down more than enough to counterbalance the increase in physical productivity, so that those concerned in production may be worse off than before. Value productivityists would establish a relation between the values received by labor and capital in the productive process.

But this view only makes more conspicuous the confusion indicated. Undoubtedly physical causation is involved in getting out the physical product, and therefore in the value product, for without the physical product there would be no value product at all. Since the labor power and the capital or machine power did create something, and since this something is now read in value terms, it is surprisingly easy and "natural" to say that they created the values they received. The entire social mechanism whereby the physical product is turned into a value product is here quietly disregarded, or rather, is treated as yielding causal elements of precisely the same character as those of physical nature. So far as this disregard is carried onward, Prof. Clark's term, "specific" product, becomes a question-begging epithet.

2. *Mathematical Confusion; Arithmetical and Social Units*

To this first confusion, that of physical causation and social division, must be added the confusion of treating a composition of physical and human forces in a social causal combination, as if it were wholly like a combination of arithmetical units. This, Prof. Clark does in his "Theory of Economic Causation," Chap. XXI. Because so much of the plausibility of the ethical defense of capitalism rests upon

confounding physical, mathematical, psychological, and legal necessities, it is necessary to enter into a rather tedious discussion of Clark's Theory of Economic Causation.

Recurring to the quotations from Clark's Chapter XXI, which statements seem fundamental, it will be well perhaps if Prof. Clark's presuppositions be tabulated with some care. (a) The amount of the capital remains fixed. (320, 323, 325.) (b) The law of diminishing returns sets in. (323, 325, ff.) (c) Labor units are interchangeable at any one time. (324.) (d) Labor units are interchangeable from group to group, that is, from C + L to C + 21. (325 Test 1.) "The difference between what the first division of workers created by the use of the whole capital, and what they now create is an amount that is solely attributable to the extra capital which they formerly had"; if "solely" to capital, then there can have been no change in the work power and the work product of a labor unit from group to group. (e) The fixed capital produces the same effect from group to group. (325, Test 2.) — "The difference between what one increment of labor produced when it used the whole of the capital and what two increments are now producing, is attributal solely to the second increment of labor"; if "solely" to labor, then the effect of the capital from group to group is unchanged. (f) This process of adding labor units may be carried farther. "Unit by unit join labor with it." (320.) "* * * if we continue to make similar additions to the force till it is complete." (327.) Prof. Clark here would seem to imply that a continuance of this mode of testing will give acceptable and consistent results. (g) On page 330 ff., Prof. Clark proposes "another mode of distinguishing the product of all labor from that of all capital." It consists of joining unit by unit successive capital units to one labor unit. Instead of C + L, C + 2L, he takes L + C, L + 2C. The reader should examine with extreme care points (d), (e), and (f); they contain Clark's confusing plausibility.

Now Prof. Clark's procedure in the whole matter implies

that for him in C and L we are dealing with forces of essentially the same kind. They may be interchanged at will, may be added, subtracted, multiplied, divided, in short be arithmetically treated without damage to the reasoning or to the results. Each unit of capital produces its proper effect (constant) regardless of the number of labor units associated with it and vice versa. The matter may be tried out a little farther. Prof. Clark fashions a set of tests in conformity with his presuppositions. Satisfied with the outcome of his testings he invites the reader (tacitly at least) to believe that succcessive applications will yield harmonious results. First then his test (2). For simplicity's sake, arithmetical values are used below; the reader may use algebraic symbols, if he will.

The combination C + L gives a product, say 10; C + 2L gives a total product, say 10 + 8 = 18; that is, something less than twice the original product according to the requirements of the law of diminishing returns; C is unchanged in amount; L is increased by one unit; therefore 8, the difference in the effect, is owing to L, the difference in the cause. Since the labor units are interchangeable, each takes or produces the same amount; the total product of 2L is 16; the remainder, 18 — 16 = 2, is the product and part due to C.

From point (d) above, labor units are interchangeable from C + L to C + 2L. From point (e) above, capital, C, has the same total power in C + L and in C + 2L. As Prof. Clark invites the reader to add unit to unit (f), the like should hold from C + 2L to C + 3L, from C + 3L to C + 4L, to C + 5L, and so on. Similarly then from C + L and C + 5L, one might determine the product of C and of 4L, since these groups differ by only 4L; from 4L, one can get L, since the labor units are interchangeable at any moment, and also from group to group. Represent then the first product by 10, the first increment when one more labor unit is added by 8; let each successive increment be less by 2; the successive increments then are 8, 6, 4, 2.

(1) In C + 3L the product is 10 + 8 + 6 = 24; the total

product of C + 2L is 18; the difference in the cause is L; the difference in the effect is 6; L therefore causes 6; 3L causes 18; the remainder 6 is caused by C. (2) Now compare C + L with C + 3L. Their products are 10 and 24 respectively. The difference in the cause is 2L; the difference in the effect is 14; 2L therefore causes 14; L causes 7; and 3L causes 21; the remainder 3 is caused by C. (3) Let the increment for C + 4L be 4. The total product then is 28. In an exactly similar way as above compare this with that from C + L, C + 2L, C + 3L, and one obtains 3 different products for C, namely, 4, 8, 12, respectively. Going onward to C + 5L from a similar comparison, one gets 4 additional different products for C, namely, 5, 10, 15, 20, respectively. Suppose that in C + 6L, nothing is added to the product; the labor units are interchangeable, each gets nothing. The remainder, which is all, goes to capital; it is caused by capital.

C + 6L produces 30. If one determines C's part of this 30, by comparing in the Clarkian way C + 6L with C + L, then C is entitled to 6. If one compares it with C + 2L, then C gets 12; with C + 3L, then C gets 18. In tabular form: T-P = total effect or product; dC = difference in cause; dP = difference in effect or product; 1L-p = product of one labor unit; T-L-p = total labor product; C-p = capital's product, which results from subtracting T-L-p from T-P.

Cause.	T-P	dC	dP	1L-p	T-L-p	C-p
C + 6L	30	..	..	0	0	30
C + 5L	30	1L	0	0	0	30
C + 4L	28	2L	2	1	6	24
C + 3L	24	3L	6	2	12	18
C + 2L	18	4L	12	3	18	12
C + L	10	5L	20	4	24	6

The attempt therefore to pursue Prof. Clark's test (2) beyond his first step appears to land in the absurdity, that with every different comparison a constant capital yields a different product. If this test (2) carries with it absurdity

along the whole line, must one not conclude that even the first modest application contains the same absurdity?

It was seen in point (g) above that when Prof. Clark finds capital's contribution by subtracting labor's product from the total product, he invites his readers to regard capital and labor as forces of precisely the same kind as respects the division of the economic product. Otherwise how can he take even his first arithmetical step? If then this assumption holds, C's power must be some multiple of L's power. In genuine causation one expects the same cause to produce the same effect, other things substantially equal. Let $C = mL$. If then the Clarkian comparison and arithmetical treatment be applied to $C + L = 10$, $C + 2L = 18$, $C + 3L = 24$, then in $C + L = 10$ and $C + 2L = 18$, C comes out 8m. In $C + 2L = 18$ and $C + 3L = 24$, C comes out 6m. If somehow m's value could be found outside of this series and were taken to be constant, one would expect to find some congruity, if numerical treatment in the Clarkian manner were applicable. If however one seeks to determine m from the values given (illustratively) for $C + L = 10$, $C + 2L = 18$, m comes out with entirely different values according to the pairs treated. It thus become plain that Prof. Clark can not without confusion and contradiction maintain at the same time all the assumptions in his two tests.

But one test seems not sufficient. Prof. Clark will have a second test. The question is how different this new test is from the former one, and whether it fares better with the implicit contradictions. Prof. Clark uses the original data, $C + L$, and $C + 2L$. He now divides $C + 2L$ and its total product, say 18, by 2, and gets $(C/2) + L = 9$. But $C + L = 10$. In the former case he had one unit of capital in common, $C + L$, $C + 2L$. Now he has one unit of labor in common, $(C/2) + L$, and $C + L$. He reasons as before. $(C/2) + L = 9$, $C + L = 10$. The difference in the cause is $(C/2)$, "in the surrendered capital," $(C/2)$ causes 1. Therefore since the capital parts are interchangeable, all C causes 2, and L causes 8. In the next step, a labor unit in $C + 2L$

now uses one-half of the capital, (C/2); a labor unit in C + 3L uses (C/3); any difference in the effect is due "solely" to the difference in the cause. C + 2L gets 18, C + 3L gets 24. Divide by 2 and 3 respectively. (C/2) + L = 9, (C/3) + L = 8; the difference in the effect is 1; the difference in the cause is (C/2) − (C/3) = (C/6); (C/6) causes 1; all C causes 6; each labor unit in C + 3L causes 6. Again capital gets more and labor units get less. The two tests are really identical.

On page 330 Prof. Clark appears to have yet "another mode of distinguishing the product of all labor from that of all capital." It consists in adding capital units to a fixed labor force; instead of C + L, C + 2L, he takes L + C, L + 2C, etc. He repeats the above reasoning, and necessarily gets results entirely similar to his former results, and he seems gratified at the confirmation thus obtained. The reader can take the former results and interchange L and C throughout. Thus:

C + L = 10, C + 2L = 18; hence, L = 8 and C = 2.
L + C = 10, L + 2C = 18; hence, L = 2 and C = 8.

Prof. Clark would have to overturn fundamental arithmetical ideas, if his results did not have this sort of congruity. He may well be gratified that his tests did not dislocate arithmetical connections. This "another mode" is the same mode, just as tests (1) and (2) are the same tests. When the King of France marched his men up the hill and then marched them down again, his passage back could have been made questionable by, say, an earthquake. Earthquakes and the like can not disturb the changeless character of schematically fixed mathematical definitions and processes.

Prof. Clark in his testings considers only diminishing returns. He found it unnecessary to go beyond this, because he holds that diminishing returns are bound to set in at some time, and because they are thus the general case. It is suggestive however to observe a point or two in the other cases. With diminishing returns C and L, whether in the original C + L series or in the L + C series, are both positive

in their effect. But in increasing returns one becomes negative, C in the C + L. series, and L in the L + C series. Only in the case of constant returns do the values for C and L hold throughout the series. If increasing or constant returns rather than decreasing returns were the law of nature, economics and ethics would take on forms quite other than those of to-day.

Perhaps a little closer view of the assumptions in Prof. Clark's procedure may not be amiss. Now nothing can seem more natural or rational than Prof. Clark's tests, his appeal to causality. Yet it is by this time quite evident that his causal mixture can be worked only by displacing the causal relations of concrete elements by pure number ideas. Prof. Clark will have interchangeability of labor units and of capital units, that is to say, combination is merely numerical. Solely on this supposition can Prof. Clark take his first step in testing. The next step, either with diminishing returns or with increasing returns, upsets this indentification of the causal process with number processes. If one holds to diminishing returns, and pursues the comparison of C + L, with C + 2L, C + 3L, C + 4L, and so on, labor units get less and the capital units get more. All intermediate values for C and L are easily explicable. Since in the total capital-labor combination, the addition of each successive labor unit is accompanied by a lessened return, and since the labor units are interchangeable and take the last return, the arithmetical average of a number of unequal things of the same order is necessarily larger than the least of them. Hence the different net products of labor units according to the number of units and increments involved. Capital's share, got here merely by subtraction, escapes the diminishing returns and increases accordingly. The third combination C + 3L shows that one can not at once hold the constancy of C, labor's first product, diminishing returns, and the interchangeability of labor units from group to group. If one tries to hold C constant in all three groups, one finds some of the product unaccounted for. When next Prof. Clark divides C + 2L =

18 by 2, he is again resorting to numerical treatment. Again the plausibility of his statements rest upon the pure mathematics. One little squeeze in the next step, and the bubble is punctured. $C + L = 10$, $C + 2L = 18$, $C + 3L = 24$,— these are inconsistent equations. No twisting of pure arithmetical values will make them consistent. Such equations remain inconsistent in diminishing returns, and in increasing returns; they become consistent only in constant returns. Prof. Clark however rather insists upon diminishing returns and on joining C and L together "unit by unit."

It is all perfectly intelligible from the pure number point of view. Diminishing or increasing returns contradict the constancy of unit capital force and unit labor force, or the interchangeability of units from group to group; one can not hold all three. One can not at one moment divide a capital-labor union and the product as in $C + 2L = 18$ divided by 2, giving $(C/2) + L = 9$, and then go ahead as if this little change were quite axiomatically acceptable. One can not at the same time eat one's cake and have it uneaten. When Prof. Clark springs thus without adequate warning from pure numbers to concrete causal relations in economics, he is guilty, it would seem, of abusing an analogy. An organic combination can according to his procedure be divided just as if it were merely the sum of its discrete parts. Indeed economists seem rather fond of this device for getting onward,— a principle applicable in part to an individual or to a fractional part of a society under certain conditions, is generalized or applied to society as a whole. Prof. Clark's testings might have suggested to him another interpretation, were it not that he is bent upon a different enterprize.

Manifestly Prof. Clark in his testings applies to economics the mathematical approximation methods of physical science. These methods often necessitate rather arbitrary assumptions and simplifications to further the purposes deemed practical and legitimate by the persons in control. This is true even when the forces dealt with are alike in being purely material. The presuppositions and all other factors are to remain virtu-

ally constant. Only within such limits and assumptions does the solution hold. Interchangeability of units from group to group is kept within close bounds. Still more must this be the case when dealing with diverse elements, such as those of a capital-labor combination, wherein living units with all their varied mental and spiritual possibilities are pitted with or against purely material capital power.

The preceding tedious pursuit of Clark's method and testings was only to indicate that his "joining of unit to unit till the force is complete" overrides beyond doubt those limits within which interchangeability of units might without strain be acceptable. Clark himself gives a diagrammatic representation of the addition of ten successive units, just as if this process could properly go on indefinitely, but the wide variation of the products to be attributed to these units was seen to be too marked; the approximation of the first testings vanishes by prolonging the process, and thus lays bare and questionable the assumptions in the very first step. Only when "the force is complete" is the true margin and marginal man found; all others are but "transient" margins and marginal men. But the vital questions are:—How know when "the force is complete?" What are the causes which establish the "completeness" of the force? Now these causes are either physical, or social, or both these combined; in which case one is back into the confusion previously discussed. When the genuine causes determining the margins are seen, Clark's theory of "economic causation" is also seen to be an abstract superfluity; it is a construction or after-image, which masks the forces really determining margins, in that it interchanges the functions of actual elements. His "joining of unit to unit" leads to confounding mathematical units with social units, and to concealing the presuppositions of his approximation. To present these prominently would render too evident their social foundations;—a fact which would largely dissipate the "naturalness" of his law of distribution, and uncover too clearly a significant ethical confusion. In short, Prof. Clark stretches an approximation process beyond due limits; naturally, it breaks in twain.

3. *Psychological Confusion; "Perfect" Competition and Real Life.* Recurring to the farm illustration and its extension to the commercial industrial world (pp. 68, 69), one encounters another class of necessities which are to avail Prof. Clark's theory of the specific productivity of capital and labor. The influence of the wage scale without the farm, and the commanding position of the owner of the tillable fields lead too easily to the conception of exploitation possibilities on both sides. The location of the margin is blurred and hence that of the creative contribution. If the farmer stop at the first man, the man's contribution according to Clark is the whole product; a result, bad indeed for the farmer, to which in fact he never would submit. But the blur exists, whether the farmer stop at the second, or the third, or the ninth man, "transient" marginal men, Clark might call them. Where then shall the farmer finally stop? Where else according to Clark than in the "zone of indifference," where the last increment to the crop just equals or barely exceeds the wages paid to the man last added. Above that the farmer wins; below that the farmer loses. This point, where the farmer neither makes nor loses, is the true marginal point, which shows accurately the creative contributions of the capital and the labor respectively.

But this procedure on the farm appears to make the wage scale the decisive factor. Clark himself says: "The fact is that wages and interest locate the margin." In general then the enterprizer stops when the employee no longer produces an amount equal to his wages and the interest on the capital put into his hands. Seemingly the final decision rests with the enterprizer; he must get back the wages and the interest paid out. Anywhere short of this, he may stop; beyond this he can not go. If he can depress wages and interest, then he may keep on adding labor and capital units to the extent of his power to curtail his expenses, and thus because both of the interchangeability of like units and of diminishing returns, he may add to his profits. But after all the enterprizer can not generally exercise in this matter

a purely arbitrary caprice. To show us this, Prof. Clark takes us outside the farm and into the broad commercial-industrial world (p. 69). There we are to see that a general wage scale and a general interest rate establish themselves according to a marginal product. We are to see as a result that the enterprizers are in the end not the determiners, but that they are subject to forces beyond their control. The force locating margin is the thing.

Tersely put, Prof. Clark would appear to say: Grant perfect competition of both labor and capital, perfect mobility of each, perfect pursuit of economic interest, diminishing returns, every labor unit and every capital unit are to find employment, perfect individualism of labor and of capital units is to prevail; then it must follow that a division of a product will occur exactly in accordance with the specific productivity of each agent involved. It may be replied: So many perfections assumed, it is not hard to perceive that a perfect equilibrium results. Any even momentary disturbance of that equilibrium is instantly righted. A capital unit or a labor unit demanding too much sets in motion all other capital and labor units, each perfectly mobile, perfectly nosing its best rewards, pure, unencumbered with any non-economic clogs. Each agent or factor, blind to any thing but its own individual economic interest but perfectly wise as to that, can not by any possibility permanently disturb the equilibrium; the counterbalancing forces are too great; the system is definitely self-perpetuating, self-correcting, self-winding. Of course thus put, one is plainly dealing with an academic construction existing as such only in the head of the problem-making thinker, with a set of schematic psychological and economic necessities, which can be made to assume almost any form he will, and yet to retain the air of concrete reality.

But how decide that the division of the product brought about by this perfect competition is also that which creative contributions would demand? Suppose a state of equilibrium; this means that labor units secure equal wages and that capital units secure equal returns. A new style of

machine is introduced; its specific productivity is in qestion. Now the machine must be built and operated at first according to the cost rates of the *previously* established state of equilibrium. Well, set the new machine to work; by using appropriate units compare its output with that of an old-style machine; if the ratio of its product to cost is less than, equal to, or greater than that of the old-style machine, the new-style machine is inferior, equal, or superior to the old. Very well; thus far it is experimental physical science. But how about the social division of its product? Note that in general the labor-machine combination also is new; the respective contributions of the labor and of the machine to the product are not yet known; the verdict, "superior," is made on the *old* ratio of division between capital and labor. If now the old wage scale stand even temporarily, capital will here get more than its *just* share, that is, more than the average rate. The result will be that capital units will flow into this form of capital-labor combination and labor units will flow away. This movement will affect every unit of labor and of capital of all society, and will continue until a new state of equilibrium is reached wherein all capital units receive the same return and labor units likewise. This simply means that scales of division similar to the former scales are sought and found; it does not mean the ascertainment of the "specific" productivity of the agents involved. If biasing forces helped to shape the old scales, they may continue to work amid the new; the "perfect" competition may play within only a special or limited field. This perfect competition of *all* social units governed solely by self-interest removes at the very outset the possibility of any merely arbitrary acts in establishing scales; the difference in the powers of the machines suggests "productivity" ideas; let the two sets of ideas coalesce; give the results the same names. Manifestly however if tendencies to combinations, trusts, and labor unions exist, in such a case a division of the product will not be the same as the one just noted; new marginal products and new "specific" contributions would be

found. Now tendencies to competition and to combination do exist in our society; take then your choice of the above offered margins and "specific" products.

The truth is however that in this "perfect" competition of all-wise, self-interest driven units of capital and of labor, Clark is dealing with one of those schematizations wherein he places under vague names the conclusions he would draw from the premises. Accordingly this all-wisdom of the units involves knowing what the "specific" product really is; yet these units are all-wise only on their respective sides of the chasm that separates the possessors from the dispossessed; neither party has sense or desire to bridge or to fill up the abyss. What need have such beings as these for "productivity" or other theories? Still if you will have such suppositions, what wonder if you get back from them what you had already put into them? They add an atmosphere of plausibility and profundity to the discussion.

4. Confusion of Legal Necessity with Real Necessity.

Another fountain of plausibility is found in the necessities which mark the *legal* relations existing between capitalists and laborers. All through the representations of productivity theories, and Clark's is no exception, the necessity of labor and of capital to get out an economic product is emphasized, and hence that the presence of capitalist and that of laborer are necessary. But the one necessity is physical the other is legal. Certainly it is impossible in production by modern processes to dispense with machine power and with labor power. It is not at all impossible to dispense with capitalists. Naturally from first to last Clark never seeks to remove the cleft. Constantly he recalls attention to physical forces; he will retain the plausibility coming from their distinctness. When he draws his distinction between "pure capital" and "concrete capital goods,"—the one eternal, the other perishing in the using—and when he makes his theory of interest apply, not to the returns got from concrete capital goods, but to the reward of "pure capital" as such, he installs social conventions and legal neces-

sities in the very heart of his theory. For Clark's "pure capital" with its eternal life, its eternal activity in reaping rewards, is only concrete capital goods *plus* the titles and the rights begotten, as it were, and maintained by property laws. Concrete goods must wear out or be consumed, if social life is to go on; it is physical and physiological necessity. "Pure capital" never perishes. This means that the social convention of legal ownership passes smoothly from the old goods over to the new goods, together with all the consequences which flow from the continuity of social life and of the legal necessities established by it.

How much this idea of legal necessity increases the plausibility of any theory, and how deeply it penetrates the popular consciousness, is shown by the inability of masses to conceive as possible any form of ownership of the fields of production except that of private ownership. It is the basis of the question often thought to be unanswerable: "What would the poor laborer do without the capitalist? Who would give him work?" The law of private property applied to production fields and instruments enables the capitalist to assert his indispensability, to claim machine power as his own output, to demand a portion of the product as his reward. Another result of this legal property relation is that now the passions, desires, purposes, in a word, the interests, of the individual capitalist can be more effectively thrown into the problems of distribution. The power of possession can thus face the power of want in laborers, and contest the field with it.

But in spite of prepossessions and unpliable psychology, legal necessity is plainly a highly variable thing. This is shown by the immense diversity and the changeability of property laws in past and present history. Hence the essentially transitory character of any economic theory that makes large use of this idea of legal necessity.

5. Confusions from Absolute Ethics.

If, to all the preceding, one adds the so-called absolute moral and religious or theological necessities, which flourish

so abundingly among abstract philosophers, intuitional moralists, and religious teachers, and which inevitably attaching themselves to economic aspects of life filter down into popular consciousness through innumerable sermons, novels, poems, emotional idealizings, one readily understands both the forces driving to secure plausibility and the easy fixity of many economic beliefs. Productivity theories of the divisional returns of labor and capital, Clark's among the rest, gain credence largely because of a dextrous commingling of the necessities mentioned, the real, the schematic, the variable.

To be fair in this matter:— If these theorists would frankly notice the differing character of their necessities, would present them merely as given, and would then describe or trace out their interactions, one could contentedly see them evolve some sort of explanation of the division of an economic product between capitalists and laborers. In this way fractional explanations of the existing system might be worked out. But when by cloaked appeals to psychological, legal, and ethical principles, the system is defended as unchangeable, the argument becomes circular; because existing psychology, law, and ethics are largely products of the system, and hence reacting causes of it. To confound these necessities, as if they all led to finalities comparable with those of physical science is highly objectional. Clark's theory, even in its schematic form, seems open to this charge of confusion. In the end instead of an absolute physical productivity theory he gives us a socially "effective" productivity theory. Since his theory is essentially social in origin, evidently the laws he develops must be as changeable or evanescent as the form of social organization which they express.

6. *Confusions from Static State to Real Society; Forces Locating Margins.*

Clark develops his law of wages and interest by repeated references to his "heroically imaginative" static state. Of course Prof. Clark is not seeking to play with another "Utopia" and its laws. He would have scarcely any use for

his construct unless he thereby conveyed the idea that he was giving a more or less adequate transcript of or from actual economic society. All the weapons of his arsenal have their analogues in real life; from labor, capital, and competition to final marginal valuations of millionaires and of paupers. Naturally he can represent as fully realized in his static state only a few tendencies of life. Results in his imaginative state unroll themselves with necessity; hence fraud, guile, violence, and inequities of all sorts are unknown. He would have his readers accept all this as expressing the dominant tendencies of present society. But having found even his schematic representation to be quite unsatisfactory, one needs make but a slight reference to it as an adequate picture of existing society.

Always the real question is, What determines, that is, causes, the line of division between wages and interest to fall where it actually does? Clark's answer is: Competition, under the stimulus of self-interest all-wise even as to specific contributions. Now what of the relative status of the competitors, and what of the interests involved? In Clark's static state, though competition reign, every worker finds employment. In real life you can see competition in the long rows of empty-handed applicants for jobs; you read of it in every paper — the fruitless search for labor. The laborers must compete, and since no rule in our society says that every laborer must be employed — starvation being permissible — it is easy to see what happens. "They will submit to anything in order to preserve life." "What, in our society, is the empty-handed to do, if capitalists do not give him work?" "God alone knows" is true and famous answer of William H. Taft, former President of the United States.

Suppose the capital power in a community to be fixed and the labor force to be doubled, what happens to the wage scale and the reward that is taken by capital under these conditions? Down go the wages because the laborers must compete to avoid starvation. Outer scales holding substan-

tially, and under present conditions the capitalists not being compelled to employ all the labor power available, a division of the product results which is different from the preceding division. We may *call* this new divisional line the "specific product" line, as we may *call* the former line the old "specific product" line, but who does not see that this is merely a name for a line established by the real fighting power of the two parties? So long as both parties consent to maintain the distinction between capital privately owned and bare-handed labor, this *naming* process may go on. Let there be in actual life a serious menace to property rights, and quickly the holders discover new "specific product" divisional lines, if thereby they may lessen the danger of a revolt. In a revolt the holder is glad enough to save some of his capital, saying nothing at all about the "eternal income" springing therefrom. And it is evident that, if some day the empty-handed should finally and for all time determine to abolish the abyss, the forces of nature in water, soil, and machinery would still bring forth products when combined with labor, and that a wholly new species of "specific product" lines would emerge. Examine the conditions of social production in actual life, see the genuine powers and motives in the economic struggle, and you need not long be under much of an illusion as to what ultimately establishes marginal lines and marginal products.

The like is true, if the labor force be held to be constant and the capital force be doubled or tripled. In Clark's utopia wages in this case will go up and interest or rent will go down. All capital units must find employment at some rate of gain; they therefore compete, interest or rent diminishes. But in real life will wages go up? Not necessarily, and not probably in the same ratio. Capital in real life is not under such an immediate necessity to compete as is labor. Any strike or lockout gives plain enough evidence of this fact. Capital can endure "waiting" for a much longer time than empty-handed labor. Apart from living labor capital rusts out in a few months. Apart from work empty-handed labor

rots out in a few days. The sequel is not difficult to follow. Once indeed Prof. Clark lets us see this fact. "He (the capitalist) has indeed an ultimate safeguard against starvation, which the laborer lacks; for by changing his plan of life he can use up his capital." ("D. of W.," 156.) Of course Prof. Clark can glide over this in a schematic representation of competition, but just this relationship is a most potent factor in causing actual economic divisions; it tears into pieces that equality of competitive power implied in Clark's schematism; it contains more corollaries than there is time to draw.

In actual life the "perfections" of Clark's schematic state are honeycombed through and through. If a large increase of capital be injected into society, what is the result? The enterprizer, not yet dead with us, finds more power behind him. He can more effectively contest the demands of the workers. Wages may sporadically go up, because there certainly is competition among capitalists. So long as this competition of capitalists is effective, there is a tendency for wages to rise and for interest or rent to diminish. On the other hand as capital combines, the competition with petty capitalists becomes a force to depress wages still farther. The century-long struggle for an eight-hour working day shows in which direction the capitalist tends.

It is needless to repeat the foregoing as regards the more complex and more real representation, the case when both labor and capital increase and decrease in all sorts of ways and combinations. The resultant situation rests with the relative power of the contending forces. The history of economic evolution contains the real answer, an answer which theoretical economics merely tries to formulate. From this history can be seen that the "perfect" competition of labor units and capital units is a mere fiction; the perfect mobility of labor and capital is pure fancy; individualism, and the "specific" product of each element are schematic ideas which touch only a fraction of the facts. Labor unions, capital combinations, monopolies, labor laws, liability laws, all sorts

and every sort of plans advised and contested; and above all the power of capital to wait.

Perhaps the best illustration of all this may be found in one of the latest contributions to this subject, Prof. H. L. Moore's "Laws of Wages" (Dec., 1911). Prof. Moore employs abstruse mathematical methods to determine the closeness of the causal connection between certain economic phenomena. Perfect causal connection is represented by 100%. The greater the departure from 100 %, the looser the causal relation. It is to be noted that a practically perfect correspondence between two series needs not establish a *direct* causal dependence of one upon the other; the two may be independent results of a common cause. Always therefore the concrete circumstances must be examined. Prof. Moore seeks to make ground for the Clarkian productivity theory by statistics.

He deals with the French coal industry,— the only case for which he could find statistics adequate for treatment by his methods — in the matter of the mean daily rate of wages and the mean value of the daily product of the labor. From tables covering fifty-six years he finds that the correspondence between the mean daily wages and the mean value of the daily product at the mines shows the "very high rate" of 84.3%. How then determine from this that the wages paid represent labor's creative contribution or specific product?

One is here involved in the ambiguities of reciprocal causation, the wages influence the value, and the value influences the wages, or both influence the governing motives of the personal actors in the struggle. Now an examination of the tables made by Prof. Moore shows that both wages and values at the mine steadily advanced; that the wages gradually claimed a larger per cent. of the mean daily value, rising from 41.9% to 49.6%, extremes being 37.1% and 52.1%; that for the entire period, wages claimed an average of about 45%; that the fluctuation of the mean daily values was much greater than that of the mean daily wages.

That wages gradually claimed a larger percentage of the value of the mean daily product seems significant. One is again confronted with sliding margins, sliding creative contributions. The circle of value causation is entered; valuations by the empty-handed are on a par with those of the possessing speculator. "Specific products" is only a name to indicate the parts of the product which the fighters are able to secure for themselves.

That the mean daily wages fluctuated much less than the mean daily value seems to indicate that for some reason the steadier causal element in the contest was wages. The case concerns the product of a staple necessity, coal, under conditions wherein labor plays a relatively conspicuous role. The connection between the product and the labor was easily seen; this knowledge was the basis of an incentive to demand a fuller correspondence. Under our exchange economy the wages would be paid before the sale of the product. Outside competition would tend to keep down the final prices paid for the coal at the mines. In the long run the producer must make his costs. For continuous production the miners might often be in a position of advantage. Labor, always nearer the starvation line, would not so readily vary its demands as would the speculators after a profit, even though the profit were not a large one. That wages gradually encroached on the mean daily value shows the same tendency. The great social changes, the dissolution of feudal privileges and of the attendant servile psychology, the growth of science and complex machinery, all these would raise the status and standards of the laborer; hence the upward sliding margins, or "specific products."

The summation of these confusions on the economic field is this:— For the maintenance of social existence an economic product must be had and must be divided. Practically in any complex society the getting of a product out is preconditioned by some arrangement as to its division. According to the idea of slavery, the product goes wholly to the slave owner, subject however to the external condition that

for a continuous economy the slave must receive adequate support. But the meaning of "adequate support" varies widely. When the slave market is full, the owner may find it much more profitable to him to work his slaves to a speedy exhaustion. History is full of such instances. Under serfdom the lords must leave the serf sufficient time to get up his subsistence, if the economy is to be lasting. Here too history shows enormous variations as to the meaning of "sufficient time." Under the wage system the wage-earner also must have enough to maintain effective existence. Recent history and present-day facts show how elastic is the signification of this word "enough." The plainest direction to be drawn from the above signposts of history is that the division of the product rests upon the social fighting powers of the dividers.

It is expressing the same thing in other words to say that such production-division contests always throw up what answers in substance to our wage scales, profit rates, and interest rates. These, as just indicated, differ widely and in concrete life and history vary enormously. They have in hard fact no fixity whatsoever. Yet these scales and rates are the usual standards of *right* and *fairness;* they are objects to which "intuitions" and the invocations of absolute ethics are commonly directed. Just as it is a kind of ludicrous narrowness in a slaveholder to become passionate over his *rights* in his slave property, so it is equally ludicrous and ridiculous to talk of *right* and *fairness* in wages, profit, and interest, as if there were any finality "desirable and morally justifiable" about them.

Now Prof. Clark obscures these genuine facts — he has in this matter the long line of distinguished, if less dextrous, bourgeois economists as predecessors. Just as the slaveholder passionately defends by law, ethics, and gospel his fractional views, so Clark finds his "natural scientific law of distribution" to be "desirable and morally justifiable." The slaveholder finds private ownership of (human) productive property as an established, sanctioned, "sacred" fact. Clark

finds private productive property as an established fact, "sacred" according to Leo XIII. The slaveholder finds established scales and rates; so too does Clark. The slaveholder measures productivity of capital and of labor; so too does Clark. To be sure Clark adds refinement to refinement, so that he leaves the slaveholder far in the distance. But the two procedures, the coarse and the elaborate, are in essence alike. Each seizes and fixates a transitory, merely momentary phase of the living contest. Elements such as scales, rates, private possession, empty hands, population, and psychology are assumed schematically as fixed. What wonder then if "specific products" emerge, each traced exactly to its proper agent! It is a matter of mere verbal consistency. Within such schemata there can not possibly be any exploitation at all: Marxian "surplus value" is there a mere dream. Living facts of progress brushed away the webbery and the ethics of the slaveholder. Living facts of progress cancelled the like figments of feudalism. Sweep away the "sacred" private ownership of productive property, then profits and interest as ordinarily understood vanish as mists, while Clark's beautiful elaborate schema is added to the number of outlived abstractions.

No doubt that if the chasm between the possessors and the dispossessed be ever filled up, then still material power, labor power, products and divisions will occur. New schemes and principles of division "desirable and morally justifiable" must arise. But then the new "desirable and morally justifiable" will have displaced the old approved of by Clark. Indeed the solid truth is that the essence of socialistic criticism is the demand to sweep away capitalistic economic and ethical schemata and to substitute others in their stead. For slaughter, there was slavery; for slavery, serfdom; for serfdom, the wage system; for the individualistic wage system, there is the vision of a social co-operation which shall conserve the individual more fully and more completely. It is not merely increased productivity at any cost, as many seem to think, but a productivity increased by a heightened consciousness and a

consciousness heightened by an increased productivity better distributed.

II. CONFUSION OF ETHICAL TESTS

Imputation versus Creation

Prof. Clark's "Distribution of Wealth" may easily be accepted as rather notable from the view-point of economics, "epoch making" if his friends will. He has knitted together into close meshes many economic threads seemingly but loosely connected by earlier economists. Interest, wages, profits, rent, consumer's values, final or marginal utility, labor and "sacrifice" measures, in all these he has shown a oneness or interdependence quite striking indeed. As was the case in all other sciences, economics was at first deeply immersed in real relations; witness geometry and concrete land problems, for example, those of ancient Egypt owing to the fertilizing inundations of the Nile. Gradually each science takes on an abstract schematic aspect. Prof. Clark has furthered this abstract advance in economics. His effort is remarkable enough. He has shown how under his postulates, those of the classic economists refined by his heroic abstractions and generalizations, a distribution of wealth in an abstract schematized society may be conceived as a necessary resultant. With this academic problem solution there is here positively no quarrel, rather an admiration for Prof. Clark's skill. Neither would there be any quarrel with an attempt to use under suitable limitations this abstraction as partly descriptive of present society. But Prof. Clark is not content with the analysis and description of the economic process. He must needs wring in the ethical questions involved in distribution. It is this aspect of his book which is objectionable. He seems to present his ethical views with a finality and generality which can not be admitted. For after all, his ethics are merely bourgeois ethics, as phenomenal as those of any other system; they are adapted to his economics. In short, his "Distribution of Wealth" gives an excellent illustration how economic relations get themselves transfigured into ethics.

Prof. Clark generates an ethical confusion by leading us to expect in his "natural, scientific law of distribution" something different from that which we actually find. We look for a result which shall be independent of human social relations, almost as independent as are astronomical laws. He helps us to this interpretation by comparing his laws with analogies drawn from the motion and rest of particles of water in a reservoir, and from an ocean level guaranteed by gravitation and fluidity amid all fluctuations of calm and storm. The language he uses furthers the same illusion. He tells us, "If each productive function is paid according to the amount of its product, then each man gets what he himself produces. If he works, he gets what he creates by working: if he also provides capital, he gets what his capital produces, etc." "Is that which we get and which the civil law enables us to keep really our own property by the right of creation?" "A plan of living that should force men to leave in their employers' hands anything that by right of creation is theirs would be institutional robbery, * * *".

Now we submit that Prof. Clark here leads us to expect that clear creation is to precede division, is to be the guarantee of the correctness and "honesty" of the division, and is to lie wholly outside of human institutions in order to avoid "institutional robbery." "Specific productivity" helps along this idea. One somehow seems to see the product of labor and the product of a machine; the product called profit requires strong imagination, and even more imagination is required to see the creative power which begets the interest on a money loan. Still we look for this creative power as distinct from mere division power. Ere long however Prof. Clark finds new terms. We learn from him to substitute for "create," the words "ascribe," "attribute," "impute." Prof. Clark's theory of distribution according to creation becomes a theory of distribution according to imputation. For Prof. Clark distribution according to creation may not be different from distribution according to imputation, but for most of us an imputation theory is apt to suggest powers

and ethics different from those involved in a creation theory.

Prof. Clark himself shows this confusion of imputation with creation in his farm illustration. In this illustration, "Land makes its own addition to the product of each unit of labor, except the last one." ("D. of W.," 195.) Now why this "except the last one"? As a fact of nature is not the land at work all the time? Could the last unit of labor produce anything apart from the powers of the soil? And if the population of the society be increased, has not Prof. Clark taught us that poorer and poorer land will be utilized; that wages will go down and that therefore additional units of labor can be put upon the farm, so that now in this latter case, the farm "land will make its own addition to the product of each unit of labor, except the last one." "When there was available only a piece of land with no labor to till it, the product was *nil*. When one unit of labor combined itself with the land, the product was AB: and in this form of statement we *impute* the *whole product* to labor" [italics ours]. The land in this case therefore creates nothing. Will the farmer say so? He concludes this particular paragraph:—"The science of rent is a science of economic causation, which traces products to their sources. The rent-getter is a product-creator." Thus the imputation and the attribution of the opening of the paragraph become creation at its close.

That Prof. Clark means the reader to regard creation as some thing other than imputation is perhaps clear from such passages as the following:—" * * * the primitive law which puts a man face to face with nature and makes him dependent on what he personally can make her yield to him is still, in essence, the law of the most complex economy." ("D. of W.," p. 37.) This economic man *redivivus* will certainly never be troubled by creation theories or especially by imputation theories of distribution. It is only when he becomes "empty-handed" in a social organization which preempts all nature round about him that imputation theories begin to flourish. The primitive hunter needs not raise any ethical question about a division with nature according to

creative contributions. Indeed Prof. Clark finds in such cases, "Hopelessly merged is the contribution of labor and capital in the case of the independent producer." Yet the "primitive law is still in essence the law of the most complex economy." "We impute to the first unit of labor the whole product," for the land alone gives a product "*nil*."

What Prof. Clark has done is to show more or less successfully how easily one can under his presuppositions "impute" products to various agents as "creations" of their own. He has translated the ethics of imputationism into those of creationism. Imputation devices do not arise when man himself owns the tool and the product. Indeed the tool is then only an extension of his own personality. The man absorbs the instrument, and not as with us, the machine the man. In respect to this one point the customs of many savages represent a higher appreciation of the worth of an individual compared with that of a tool than do our own machine-made ethics. But what will you have?—Ethics must follow the modes and instruments of production.

Assume an individual man, "empty handed," face to face with nature. No one would think of questioning the right of this man to whatever product he achieves, no matter how his empty hands miraculously or otherwise filled themselves with tools and implements however complex. For a man imagined as so situated, one easily falls into the illusion of absolute rights. This same illusion Prof. Clark would carry over into the case of the empty-handed laborer in a complex social economy. "Imputation," so potent in our present society, is regarded as the equivalent of "creation" in the case of a person face to face with external nature. The ethical transference and confusion is complete, and it is all in conformity with "natural" law. Only, in the one case the "natural" law is the physical force of the individual face to face with outer material powers; in the other case the "natural" law expresses material energy combined with labor power, but controlled or dominated by social forces.

The anxiety to establish creation as the test of "honesty" in distribution springs from an instinctive perception of accuracy. One feels the ethical difference between man and the brute powers of nature. One raises no objection at seeing a man wrest from material nature an abundant supply. In such a contest between man and the outer world human sympathy does not blunder. In the case of man wringing from man a large overplus of products a different set of feelings is aroused. With man and nature arrayed in battle, labor, mental, moral, and physical, is the significant element. Nature has no rights; man takes the whole product.

This instinct towards labor-creationism gets a curious confirmation in the muddled expressions of many economists. Not a few of them refer to the increased productivity of economic progress resulting from improved machinery under such combination of words as, "the increased productivity of labor," "human labor aided by giant engineery and modern processes is much more efficient and productive than it was in former days," and so on. All this is either an instinctive feeling that creation is a superior test of "honesty," or else it is a disguised imputationism, which will read machine power as an output of labor on the part of the possessors of the machines.

Indeed this imputation-creation is the key-pillar of the whole elaborate structure of the modern property doctrine, and of the bourgeois ethics correlated with it. The stockholder or bondholder of any concern sits idle as regards that business branch. Dividends are imputed to him as from creative acts of his own. His money has perhaps been turned into machinery; the powers of the machine, the tireless energy of electricity, coal, steam, of iron and steel are imputed to him, and transmuted into his power. The demand that creative effort be the test of the "honesty" of acquisition is satisfied by "ascribing," "attributing," "imputing," to him the natural powers residing in material things.

Imputation reaches out a long arm. Our laws of inheritance furnish another instance. No one however heroic will

be likely to assert that an heir or heiress is the creator of the wealth inherited. Ownership here is certainly nothing but social imputation. Similarly Prof. Clark imputes eternal life and an eternal income to capital units. Pure capital lives forever though capital goods perish in the using. The eternal income of a pure labor unit appears to escape the necessity either of imputation or of mention. By imputation a machine virtually creates a new machine besides the further product distributed by creative attribution to the capitalist. The whole elaborate law of property bottoms upon this acceptance of imputation in the place of creation.

Imputation ethics again are at the basis of the common critical reply to any suggestions towards distribution on lines different from those of the present. If for example any one suggests the expropriation of some of our property holders, be they kings, lords, captains of industry, or peasants, instantly the confusion between creation and imputation is stirred up for all it is worth. J. Ellis Barker in "British Socialism" sees no way of cancelling huge private ownerships without destroying "all the ethical foundations of society." Numberless others, such as Mill, Flint, Beaulieu, take practically the same position. It is the stock-in-trade invective of the average ethical and religious defenders of our present bourgeois society, who treat ethical concepts not as reflexes, but as independent and even more objective than economic relations themselves. Any attempt to apply a visible creation test causes these persons to insist upon the imputation theory. No matter whether the property holders are to be bought out, taxed out, legislated out, or be simply expropriated, their demands and feelings, springing from imputationism must be satisfied; their ethics of imputation are to be held to be superior to the ethics of a visible creation. These critics seem unable to perceive that their whole imputation theory is but a fiction seeking to justify certain indubitably powerful social relations of possession. It is the gloss, power is the reality. That power will use all ways and instruments to maintain itself. Imputationism is its ethical garb; property

laws, courts, and judges, are its legal garb; police, army, prison, and gallows are its physical guardians.

In his authoritative "Encyclical on the Condition of Labor," Pope Leo reaches the same position as the economists but with much more subtlety. Speciously indicating a thirteenth century abstract individualism, he emphasizes labor creation as the source of property. Confounding natural law and divine revelation, by extending *paternal* personality through children he slides gently into imputationism and thus guards testamentary dispositions of productive property. Delicately suggesting the application of physical force by the state in support of religion and morals, he thereby sinks easily into the general acceptance and maintenance of existing exchange psychology. He comes finally to the benignant recommendation that society adopt such an interpretation of progress as to secure to the papal throne its present power and to enhance its influence and prestige still further. The raw suggestions of the economists are refined and etherealized by Pope Leo, but the net result and the purport of the two representations are the same.

The essential idea of productivity theories glides with readiness into a fundamental ethical confusion. The conception places man upon exactly the same level as that of a machine; or otherwise put, it clothes a machine with the attributes of a man. In spite of the facts that the machine is a prey to the destructive forces of nature, that it never will of itself produce a jot or tittle, that divorced from active human labor the machine or tool remains dead, that the interest-getter as such does absolutely nothing towards utilizing the machine, yet the product is divided according to the contributions of the respective powers engaged, viz., man power and the inherent natural forces of the machine. This levels the man down to the machine or the machine up to the man. Capital claims payment for the service of the machine.

"Imagine," says Prof. Leroy Beaulieu, "a machine to be a living being capable of bargaining for himself. No one would deny the justice of his claim to a share of the extra

production or profit due to his agency. Yet the maker or possessor of the machine has precisely the same rights as the machine itself would have, if it possessed life and intelligence." Prof. Beaulieu has been much praised for this so-called keen ethical defense of the natural productivity of capital. Numbers have seized upon this passage as giving an adequate and final reply. It seems so pretty and neat. Pity it is that it is so transparent! The first part of it has no meaning except as a cloaked appeal to the creative contribution test. It is an admission that only labor has claims to rewards. Nature has no rights against man. The second part is merely a repetition of the substitutionary trick. Fronting the active laborer the machine is clothed with the rights of persons; thus the machine is humanized. Then by substitution the persons owning the machines take the place of the machine-persons; everything is placed thus on a personal basis, and hence no fraud can enter. But it is all a mere device of force in order to claim that the output of machine power may count as the labor output of the capitalist owning the machine. The distinction between man and outer nature is cancelled. Imagine a machine possessed of life and intelligence, capable of bargaining for himself; that is, cancel the distinction, and cause nature to act according to capitalistic exchange economy,— surely a pretty device. Having then clothed this figment-person with rights, cause it or him to enter into ethical relations of right and wrong with real persons. Prof. Beaulieu may be content with such perhaps unconscious thimble-rigging, but the ledgerdemain is too open. In no wise can machine power be twisted into being the factual labor output of mere owners as such. In no wise can you clothe things with rights. The material powers of natural agents are one thing. The mental and physical powers of man are another thing. From the human point of view the ethical chasm between the two is unbridgeable. Nature knows no ethics. Man alone has ethical relations within his own kind.

But the voidance of the creative test is not the sole imputation device involved here. We have seen that real capital is of itself a dead, decaying thing; it never escapes nature's ravages. Yet the capitalist owner manages to dodge this natural necessity. Not merely must his capital escape these natural ravages, it must yield him profit and interest besides. He escapes the loss from natural decay, he escapes the labor and care of guarding against these destructive forces, his capital remains intact; but besides this he reaps a profit or interest. Does nature meanwhile cease its ravages? By no means. Decay is as inevitable as death. Clark speaks of the eternal life of pure capital, yet the real seats of actual material powers dissolve, disintegrate, fade away into nothingness. Interest as the reward of the eternal life of capital means that the burden of blockading the destructive forces of nature is shifted. Some one else must make good the natural loss, must perform the labor of guarding against attack. The substitutionary trick goes farther than a mere attribution of machine power to capitalists as their labor output; it manages also to shift upon the shoulders of others the loss by natural decay and the labor of guarding against loss. Not merely must the empty-handed support themselves, they must also make good to the capitalist the loss from natural decay and the labor of guarding so far as possible against that decay. So far forth, every sinking fund or depreciation fund of a capitalistic enterprize is a shifted burden, is an extension of the trick of satisfying by substitution the requirements of the creative test.

III. "INSTITUTIONAL ROBBERY" AND INTEREST

Various quotations from Prof. Clark's book have shown that he abhors the idea of "institutional robbery." He leads one to expect that his "natural" law of distribution abates any such charge; he commends his law as "desirable and morally justifiable." In the end he leaves with one the idea that the charge of "institutional robbery" is without foundation, at least so far as concerns his "static state." Now

commonly institution means "an established order, principle, law, usage, method, custom, or element of organized society." According to these words Prof. Clark can hardly deny that his schematic law of distribution is almost completely institutional.

That Clark's law is institutional is plain from the fact that private property in the means of production is primary among his suppositions. The defense of private ownership is the stimulus of his ethical enterprize. Empty-handed labor and capital power front each other as an established order, usage, custom, and element of organized society; they are institutions. Similarly the complete reference of each to himself alone for his economic welfare, free competition, mobility of labor and capital, rents, interest, profit, wages and so on. Likewise free contract, free exchange, market and other value, — all things which Clark's abstractions deal with find their actual manifestations in the tumult of our daily lives. Clark's whole schema is accordingly "pure" institutionalism.

Whether one shall speak of institutional robbery must evidently turn upon the test that is to be applied. Unless a test be agreed upon, discussion is apt to be mere windmongery. Prof. Clark himself gives the test which we are perfectly willing to accept, "to each what he creates." In dealing with economic goods failure to satisfy that test shall in general be called robbery.

Now what is the meaning of this word, "create?" What else in an economic discussion than the output of an energy equivalent in some sort to an output of labor power? The test is for the sake of ethical judgments in economic matters. Laborers entering into the productive process have with us an ethical status. This ethical status imbues everything pertaining to the productive process with an ethical quality, imbues wages as part of the product, and therefore all other parts of the product. Hence all the theoretical labors to derive interest and profits from the natural productivity of capital; hence the anxiety to soften the opposition between classes, and to minimize or to justify what are known as the

horrors of class struggles; hence the zeal to point out the productive functions of those not plainly engaged in the creative process.

If we hold fast to the idea that in "creation" there must be an output of energy equivalent to an output of labor power, and turn neither to the right hand nor to the left hand of imputationism, then every bit of pure interest, to say nothing of profits, paid to the owners of capital, is institutional robbery. Whether interest be regarded with Clarkians as the product of the material powers of capital, just as wages are regarded as the product of the labor powers of laborers, or whether interest be taken more grossly, as merely payment for a money loan, in neither case does the interest-getter make a positive contribution to the productive process. As mere money-lender, waiting around for some one caught in a "squeeze" or for some daring speculator embarking on more or less unknown seas, he plainly does nothing positive in getting out the goods, a part of which he takes as interest. Hence in part the age-long abhorrence of the usurer. As mere owner of capital, again the interest-getter does nothing. Interest as the product of his machines is not the product of his labor. Certainly this is transparently the case with all inherited and donated capital or wealth, an immensely large fraction of the accumulated wealth of our western civilization. Even the accumulator of capital from his own labors can not collect interest as springing from active energy in this matter on his part: his capital is his pay for his real labors, just as wages are the pay of the laborers. Not to have consumed his whole product enables him to dispose of his time otherwise than in a renewed search for sustenance; he exchanges one mode of life for another. That our present society contains for him the possibility that by accumulating capital he can gather interest, no more makes him the outputter of the energy which creates the interest, than the saving of the slaveholder makes him to be the outputter of the labor of the slave whom he pays for with the savings.

Clear as the matter is concerning interest as a product of a process, it is thought to be changed by looking from a point of view anterior to a particular process. Make a narrow abstraction, that is, shut out consideration of anything except merely the particular process and its product, then evidently that process and that product can not occur apart from laborers, capital, and the owning capitalist. Suppose further that the capitalist has actually accumulated his capital by the practice of all the present-day economic virtues. Within this narrow abstraction: no product without labor, but also no product without capitalist; hence, union of forces and reciprocal gratitude; on the side of the laborers, because the union of forces kept them from starving from lack of work; on the side of the capitalist, because from the union, he was able to fructify his capital by others' labor, and thus to secure a product without further work on his part.

Plausible as is this narrow abstraction, it would deserve no notice, were it not for the fact that it constantly appears in some minds; it is too manifestly framed so as to contain the conclusion desired; the vague thought behind it is the superiority of capital — the social power of possession will put itself through. Capital as an economic category is inferior to labor and remains so. Life is maintained by a continual output of effort in using up suitable natural objects. Biological evolution shows in the lower animal world an almost mechanical adaption of life-forms to environment. With man economic life begins. Dimly purposeful at first, human labor molds natural objects into tools and instruments, adapting nature to its own ends. If we call such tools from the simplest to the most complex by the name capital, as is commonly done, then capital is the product of labor, and it must somehow be always measured in terms of labor. This is self-evident when you place man "face to face with nature," not merely individually, but also in large masses as with primitive peoples. Nor can any amount of capital however large acquire any natural precedence over labor. No sooner are material goods finished than they begin to decay. Stop all labor in

a civilized society for one day, and the distress would be incalculable; for a week, and the overwhelming majority of that society would be dead. It is therefore wholly idle to think even for a moment that capital can have physically or physiologically the precedence attributed to it. Step from the narrow abstraction into the real world; analyze the forces there at work; trace tendencies, observe results, and you quickly learn to what sham uses abstractions may be put.

The case just cited is only an aspect of the not uncommon rejoinder sanctioned even by technical economists, and contained implicitly in Pope Leo XIII's Encyclical on Labor (1891). If capital without labor applied to it is a dead decaying thing, not less in *our* society is labor without capital utterly unproductive. The further implication is that since no one would think of denying to the laborer a return for his work, so no one can with equity refuse a proper reward to the capitalist.

It is easy to trace here the ethical and economic confusions with their corollaries to their primal springs. It is a truth of physical causation that capital force, that is, machine force, and human force must unite to secure an economic product. It is ethically and economically true that the laborer is worthy of his hire. It is true that in *our* society law maintains the chasm between the empty-handed and the tools and fields of production, and hence that *with us* labor without tools is utterly non-productive; nay more, attached as it is to a sensitive living body, having thus a kind of initiative, it may from other causes become a rebellious, revolutionary, destructive agent. It is thus true that in *our* society property laws guarded by army, police, jails, and gallows necessitate that laborers and capitalists unite in order to bring forth an economic product. It is thus true that by reason of force in *our* society the powers of the machine are imputed to the capitalist. It is false that the necessities of physical causation and *legal* necessities are identical. It is false that conclusions drawn from the one relation can be transferred to the other relation. It is false that the ethical character of

labor and of capital are on a parity; material nature has no rights against man. It is false that the union of laborers and capitalists is necessary to production by modern methods. National workshops in navy, army, railroads, the postoffice, municipal ownership of production, distribution, and exchange agencies of all sorts,— a full list of which socialized activities would require pages to catalogue — upset the proposition completely. It is therefore false that the permanency abiding in the physical causation of machine force plus labor force abides likewise in the union of laborers and capitalists. A change in the property laws of *our* society, and they are changing all the time, would dissipate this *legal* necessity, together with all technical economic principles which formulate economic relations founded upon this legal necessity. It is false that the ethical quality of interest as the return to capitalists rests upon the same foundation as that of wages as the reward of the laborer. It is false that the capitalist manifestly satisfies the test of a creative contribution. The ethical and economic confusions in the capital productivity theory arise from an undiscriminating mingling of the above propositions,— this, together with haunting memories of the virtues of saving, abstinence, self-control, and a multitude of other ethical precepts expressive at bottom of the actual constitution of *our* society, but treated as if they were independent of any economic substrate.

The creative contribution of the capitalist as such is the bottom question. Imputationism blears the vision. Loose laudation of economic and other virtues dulls the eyes. Pure interest is an income arising from possession as such (Boehm-Bawerk). Still economists, and of course capitalists, revel in the virtues and the necessity of the capitalist as such. He is clothed with the merits of the industrious enterprizer, of the abstinent saver, of the patient stayer and waiter in roundabout processes; he is dowered with foresight and initiative; he heroically shoulders the burden of every advance, and at his own risk and expense tries out for all society the experiments which make for the uplift of mankind; above all,

he supports from abundant stores with mobile hands, hospitals, universities, bread lines, homes for fallen women, and softens the lot of the deserving poor by doling out charity and ennobling labor. The picture is motley; it contains manifold elements of truth; and yet the whole is, as it were, a nest of ethical and economic confusions.

What then is the function of the pure capitalist, whether in economic production, distribution, or exchange? He does nothing at all but sit at the entrance of the fields, collecting a tribute from workers of every sort. "The vineyard is mine; so says the law; enter, reap the fruits, but pay me a portion of the product. Otherwise abide without my gates; seek other sources of supply, as by law you are free to do; 'trespassers beware.'" The pure capitalist is the mere investor. The mere investor puts money into a business with whose characteristic product, management, and details, he has absolutely no concern. He simply takes as interest a fixed percentage of his capital investment together with his capital returned at the close of the engagement. What does the capitalist as such actually do? You shall not here praise the merits of the farsighted enterprizer; the enterprizer as such is not a capitalist, he is a kind of worker. So far as any capitalist is also an enterprizer he gets profits as his pay. You shall not here praise the self-control of the abstinent saver; his capital is his reward; interest is an additional sum, not sprung from saving abstinence. You shall not here confound physical and legal necessity, nor substitute imputation for creation. It is true that labor force and machine force must unite to secure an economic product; it is true that by law laborers and capitalists in *our* society must unite to secure a product, and hence by imputational ethics backed by force, capital and labor, and hence capitalists and laborers, are put into the same ethical category. But this shows no creative contribution on the part of the capitalist as such. This is true whether the silent stockholder be connected with productive, distributive, or exchange activities. He reaps interest without labor on his part. On the surface the burden

of the advance is borne by the enterprizer, at bottom it is borne by the army of propertyless workers. The capitalist as such insures himself as far as possible against all risks and hazards. The state is simply this; in *our* society property laws maintain the chasm between labor and capital; the hungry army of the empty-handed are there to be despoiled. Enterprizer and capitalist alike cry out: "Behold the land is flowing with milk and honey, let us enter in and despoil the possessors, the creators of these goods." Interest is a claim to a part of the spoil, because the capitalist has furnished to the enterprizer the knife or the gun with which he fells the real creator.

Professional economists have suggested that they could easily conceive the case where capitalists spent their income so well as to deserve it, even if they did not produce it. Suppose this the case; evidently however to such "capitalists" and their income, the test, "to each what he creates," is not applied. On the face of the proposition according to a strict application of the Clarkian test their income is robbery. But there are other tests it may be said. Granted. There have been caste tests, blood-descent tests, and many others, which have more or less sunk in vigor. Examine this newer one of 'spending so well as to deserve their income without producing it.' What does "well" here mean? "Well" as tested by what results, social or individual? Under what conditions and by what means do the "capitalists" get hold of their incomes? Do they form a separate social class, and if so how are they selected? Are these excellent spenders really capitalists, that is, private owners in a property-guarding society, with the mass of productive sources preempted, a reserve army of empty-handed, everybody for himself and the devil for all? Is it a mere fancy which we are to accept as easily as we may accept the pulpit truism, 'if men were only good, our social evils would all cease'? True but useless test. The solid problem comes back: What decisive forces exist in present society other than the economic drivers in class struggles to compel social amelioration? History knows none. We

have however seen no recent economist strongly praise the spending of our present-day capitalists.

Akin to the above is the following: — "The incomes from property and from stocks are, in a national exchange economy, not to be dispensed with as a spur to the formation of capital, and as a sequel to fortunate enterprize and speculation, and are not to be suppressed without injury to the interests of production." (Philippovich: "Grundriss der Politischen Oekonomie." Bk. 5, p. 207.)

On the surface, the statement is circular. "A national exchange economy" means just such an economy, where under a pretended economic self-dependence, exclusive ownership of property and stocks has interest as the spur to greater accumulations in order to secure like returns; where enterprize and speculation are rampant for profits; and where, since production as with us drives for interest and profits, if interest and profits were suppressed, then other things unchanged production must certainly suffer; for — no profits, no production. The statement however shows no satisfaction by the capitalist of the creative contribution test, nor does it in the slightest degree abate the charge of that exploitation which springs from the power of exclusive possession to "stand pat." The statement tacitly admits that the real source of interest and profits is, not those "natural" elements sought for by Clark and others, but rather the love and the power of extracting gain. It is therefore not past nor present production which creates interest, nor the labor contribution test which gives to interest an ethical sanction. The defense suggested here shifts economic grounds and changes ethical tests. The idea would seem to be: — without interest, sufficient capital would not exist; without sufficient capital, no adequate production; without adequate production, no social progress, rather social retrogression in all lines. Such a defense, (a) repeats the confusions already noticed; (b) contains a large illusion about capital; and (c) confounds the economics and the ethics of quite dissimilar social environments.

(a) The representation is haunted by the confusion of material necessity and legal constraint. Undoubtedly increase in population and increase in production demand today increase of capital power, that is, more tools, machinery, and so on. This is physical necessity. Hence from the *legal* relations in *our* society, capitalists are indispensable, and hence again with us from psychological necessity, the need of interest and profits as a spur to form by enterprize, by speculation, and by increase of production, more such absorbent matter as capital. For at any one moment the vast majority are in fact armied off from productive fields; their incomes are scant; their surplus is small; undertakings are beyond their economic power. The actual initiative must lie with the possessors, the capitalists; without interest or profits in sight, these persons will not move. Even the national government must except in special cases proceed in the same general manner, that is, as an individual in the presence of other independent individuals. From this it apparently follows that with increase of population, unless the nation retrograde, increase of capital must come from the capitalist class, and hence that the function of the capitalist is so to save and so to spend that capital shall always be forthcoming when really needed. Transparently however the keystone of this social arch is the *legal* relations actually existing with respect to ownership, and especially the ownership of productive sources. Physical and psychological relations are not disputed, but it is the legal relation which gives force and significance to the proposition that the capitalist must exist in order to furnish capital.

(b) There is a large illusion both as to the nature of the "capital" advanced, and as to how the advance takes place. Since in concrete operation a tool must exist before it can be used, it is easy to fancy that somehow the full body of working implements must actually exist before *social* production can begin. Hence the idea of the savings and the advances of the capitalists. Suppose a new enterprize is proposed. Capital and labor are necessary to put it through. The vast

multitude, the labor army, can of themselves furnish neither capital nor credit. The capitalist must intervene; without him the enterprize and its product would never emerge. But what in fact is the capital which he advances? Do the capitalists instantly find or by a fiat create the new body of tools to be applied in this work? Not at all. No stock of prepared goods exists anywhere in such abundance as to enable capitalists to make this pretended advance. The mass of the world's real physical capital,— factories, machinery, tools, raw material — is already tied up more or less in active service; or it can not be moved profitably from where it now is; — therefore for example the French machines for the Panama canal rusting away in swamps and other dump-heaps. Often enough the enterprize will require specialized machinery; more often it will require only a supply of labor force. It is not the money of the world, the diamonds, the art masterpieces, the luxury objects of the rich, which perform or can ever be made to perform the creative work of the world, nor all the stocks and bonds and title deeds which burden safety vaults. Generally speaking, an "advance" of these things accomplishes in *objective reality* not a single step to the furtherance of a new enterprize.

The genuine fact is that the maintenance of a continuous economy is impossible without an unbroken stream of income and outgo. Laborer, capitalist, and capital alike live from day to day by daily labor from the daily output of society. The fertility of land, of water, of the animal kingdom, the steadfast qualities of natural agents, the persistent recurring wants of man, the enormous potentialities of the intelligent movable labor power of the dispossessed nine-tenths of mankind,— these constitute the social resources of any community. Upon these things as the permanent foundation by means of legal relations the entire superstructure of the capitalized wealth of the world is reared. Apart from law-guarded title deeds private capital mostly vanishes; nature with its powers remains intact; man with his labor power remains intact; objects of luxury and title deeds are of no

avail to quench man's fundamental needs. Thus it is seen that labor applied to nature is the one significant thing, and that the capitalized wealth of the world is merely the capitalized value of the expected products of the future labor to be applied to nature.

The so-called "advance" of capital to a new enterprize is therefore only an order to change the point of application of labor power. A part of the unemployed or of the poorly paid employed is set to work. By additional labor some movable instruments are diverted from poorly productive fields. The tools for the new enterprize are created while you wait. The easy supposition of the old wage fund theory that the wages must be advanced, and that therefore a large store of concrete goods must somewhere exist before social production can begin, is but the fragment of a schematic abstract idea. The truth is that society lives on its daily output. The legal position of the possessors enables them to control and to divert hither and thither parts of the incoming stream of consumption goods. This they turn to the support of the laborers who are in the act of creating the real capital, the machines needed for the new enterprize. The "advance" represents in general only the power, guarded by law, of possessors to play upon the necessities of the labor army, and thus to create out of the toils of others the new material instruments.

This power is exercised by credit operations. The money of the world can do and does do only the veriest fraction of the business of the world. Relying upon the constants of nature, the wants of man, and the social guarantees of law, the possessors by exchange of credits turn the income stream this way and that, they wait, they pay as other elements renew the stream, and occasionally, if need be, they turn their enjoyable wealth, art objects, palaces, and so on, into others' hands. Thus through credit operations actual labor is made into concrete capital products. Capitalists take the glory of making the "advance," while in fact all they do is to shift through law and promises the application of labor power.

Since our extremely complex social and business relations come to rest more and more upon credit, it is easy to see that an extension of credit capacity and worthiness, with a transference of such power from present holders to other organs of credit emission, could radically change the entire social structure, and hence abolish interest and profits as a spur to the formation of private capital.

(c) Philippovich's circular statement might be taken to mean a bit of social history; namely, that previous times have tried out other modes of capital formation, and that our present capitalistic mode has by survival proved itself to be better than any of its predecessors, and thus also ethically preferable.

Without dwelling upon the rather easy assumption here of the superiority of modern "social welfare" over that of ancient times, it may be admitted that there is partial truth in the representation, without however too facilely adopting any laissez faire attitude in the matter. "Social welfare" is no simple static conception; on the contrary it represents a highly complex idea and state conditioned by physical, psychological, economic, legal, and ethical elements, each of which is infinitely variable. Where tools are simple and modes and means of communication are slow, crude and primitive, economic activity, psychology, and ethics, must need be vastly different. Improved tools mean new economics, new psychology, new laws, new ethics, therefore, new ideals of "social welfare." You can as safely argue from past social conditions to present conditions as you can derive tactics for long-distance, smokeless guns from the structure of Philip of Macedon's phalanx, or rules for transcontinental flyer engineers from the procedure of an ancient foot packcarrier. So long as large opportunities were open for escape to productive fields, a possibility of equality of a kind remained for non-possessors, and one could readily enough assent that interest and profit more or less dominate social enterprizes. When however productive fields are preempted, inevitably non-holders are at the mercy of the holders. Profit and interest become more

and more the fruits of exploitation pure and simple. Accordingly the confounding of economic states with one another passes over into an ethical confusion. If dropping the labor test we appeal to social results as justifying capitalism, then we have in fact claimed exploitation to be a right; we have thereby denied economic independence, and when we in other connections appeal to this economic self-responsibility, we contradict ourselves. If society gives anyone over to exploitation, it must also undertake some social care of the exploited. This means the more or less complete reversal of our individualistic theories of government, a large abandonment of such theories as Clark's, the working out of new ethical tests: in short, an overturn of many of the so-called psychological, social, and ethical finalities.

One must not confuse the enterprizer with the "pure capitalist." Our institutions facilitate the operations of the enterprizer as profit-maker, and though perhaps with utterly superfluous frequency the profits gained are, despite conventional law and morality, tainted through and through, still one can here easily enough screen the eye from too narrow an inspection. The enterprizer is manifestly busy, busy, busy, day and night. The devizer of a new process, of a new organization of labor power, of a new industrial or transportation combination, which shall result in an increased production, can quite as surely be regarded a creator as is the handworker or the common superintendent of the usual daily round. But no stretch of imagination can find positive creative contributions by the pure capitalist as such. Rigidly tested, his interest gain is robbery, and it is institutional robbery. "Ascribe," "attribute," "impute," as subtly as you will, only do not apply the word "create" to the efforts of the pure interest-getter.

But there is another way of testing the matter. Let us take another "heroically imaginative" state. Let Clark's "static state" become by miracle or otherwise a social labor state. What becomes of interest there? What, of the do-nothing capitalist? What, of the decorative kingships, duke-

doms, lordships, privileges, and the millions of dollars of value forced by law and custom, that is, by institutions, into puny baby hands, which never in the course of years will do a solitary stroke of work, whether manual or brain-manual, but will rather, after full development is reached, be attached to a psychology of imputed finer-grained qualities such that 'the deity will think twice before condemning such a gentleman to perdition'? Gone into the limbo of outworn creeds. The psychology and the ethics of the predatory past having been outgrown, the test of creative contribution holds sway. Will the brain and manual workers in a labor state "heroically imaginative" take more or less of the product created? Everyone in that state labors productively; whatever surplus he accumulates is the result of his own efforts. Every bit of pure interest collected in our society and in the Clarkian static state by pure capitalists is thus evidently deducted from the labor results of the real creators. Clark will hold rigidly to his abstractions. Hold then as rigidly to this other abstraction, and to the creative test. What else is then evident than that the interest paid in our present society is robbery and robbery by institutions?

In a pure static labor state, every person puts in some genuine social labor. What thousands and thousands and thousands of persons who now either do nothing at all, or else minister only to the pride, vanity, and power of the wealthy, would add to the real quota of things and services having genuine social worth? As it now is, this army of privileged holders with their dependents and parasites must be supported in their luxuries and privileges by the real workers. Materially and objectively considered, the present situation is in essence that of the old slave system. There the masterful owners lived on the product of slave labor. The exquisite art and literature of Greece, the vast and solid law of Rome, rose from and rested upon the sensitive tremulous flesh of slaves. Privilege to-day rests upon a like foundation. Slavery was an institution; the wage system to-day is an institution. The army of private property holders and their dependents ab-

sorb a huge portion of the results of social production. They do this because of institutions guarded by imputation ethics. Add this army to the real workers, would the total product increase? Would the share of each be on the average greater or less?

The social labor state would of necesssity maintain its capital, that is, its productive machinery, intact. Plainly it must always provide by labor for an increase of capital power. Clark's state does more or less the same. But the social labor state would pay no interest on capital. It would not impute any part of the product to a merely do-nothing holder. Professors Boehm-Bawerk and Fisher will have it that in any complex economy interest must exist and must be paid. Even if we grant this contention, which certainly may be denied as regards the mass of present-day interest, as Boehm-Bawerk himself concedes, then in the fancied labor state that inevitable interest would no longer inure through the institution of private property in productive instruments to the benefit of a privileged class; it would belong to society as a whole. The effect of such a disposition of this so-called inevitable interest would be poles asunder from what to-day results from interest-taking; so much so that the phenomenon could no longer bear the same name, or have that meaning which is now the soul of interest.

If the Clarkian law of distribution contain institutional robbery in its very make-up, however bright its imputational glitter, we need not detail here how these same institutions, private property in productive sources and the rest, intensify or develop into shameless nakedness the pitiless crimes committed in the accumulation of wealth. The horrors that pollute history these thousands of years is the commentary. Athenian, Sicilian, Spanish, and Indian mines for slavery; feudal serfdoms the world over; expropriations, inquisitions; treachery and treason, guile and sycophancy; piracy, organized plunder, assassination by poison and by knife; cheating, monopolies, forgery; purchase of kings, prelates, popes, legislatures, and judges. It matters not what part of the world

you take, Asia, Africa, Europe, the Americas, and the Islands of the ocean, wherever you find private property in productive sources, there you meet kindred ethical monstrosities. And no matter whether the psychology of the exploiters and that of the exploited acquiesce or revolt — the slave may find joy in his gilded chains or these chains may eat into his soul as with iron teeth — tested by creative contribution the exploitation goes on. Hell upon earth has generated and sustained the belief in a hell beyond the grave, and in a way it has justified the belief in its real existence after death. When one considers the milleniums of horrible crimes, indescribable atrocities, unspeakable treacheries and infamies, inspired by the lust for property, one may well ask Prof. Clark,— 'Will all great Neptune's ocean and all the perfumes of Arabia cleanse and sweeten this murderous hand?' "It will rather the multitudinous seas incarnadine."

IV. ETHICAL PURIFICATION BY "FUNCTIONAL DISTRIBUTION"

Prof. Clark refuses to discuss the "pure ethics" problem which he suggests. He seeks to turn the "pure ethics" question from one dealing with the personal aspect into one of group division. "Grievances depend on personal distribution, but they are removed by a normal functional distribution." ("D. of W.," p. 7, margin.) "Whether labor gets what it produces or not,— a question of fact not of ethics" ("D. of W.," p. 8, margin.) Hence Prof. Clark's elaboration of his "specific productivity theory." Again he tells us ("D. of W.," p. 7), "Rights are always personal: and only a sentient being has claims, as only an intelligent being has duties." Yet we are to come out at the end with the idea that a functional distribution qualifies personal grievances.

Prof. Clark is here merely staging another piece of schematic scenery. He divides his "static state" into a number of "groups." These "groups" stand for the various divisions and subdivisions of the complex parts and processes of the total production and distribution necessary to society,— manufacturers, carriers, bankers, laborers, together with all the

subclasses of these. "Grievances depend on personal distribution, but are removed by a normal functional distribution;" that is, if "groups" get by "a natural law of distribution" their true "specific products," then either *ipso facto* personal grievances are removed, or at least they are to be removed by other means.

Now though it is true that ethical principles are general abstract propositions, yet until these laws or principles impinge upon individuals, their ethical quality has no genuine reality. "Animality," for example, has no independent existence; only as embodied in actual birds, fish, quadrupeds, men and so on has it any true being. Accordingly, Clark by his method escapes personal grievances, only by taking refuge in an unreal abstraction. Besides this, he after all only runs round in a circle. For whence in fact come these "groups" of which he makes so much? Out of nothing but the living, fighting powers and relations of those who form the groups. Accordingly again, Prof. Clark really adopts or accepts as "groups," what in truth results from and also embodies those very grievances, of which in theory he would gladly be rid. He thus posits as a determining cause that which is really a product; he phrases it as schematically "pure," and of course verbally works back to a result just as abstractly pure. "Grievances depend on personal distribution, but are removed by a normal functional distribution." Surely, indeed; only this, the actual grievances are real, the removal is merely schematic, a playing with words.

In fact: ethical principles are always man-made; they represent or imply some sort of economic ideal or schema, which as a rule expresses some form of social class distinction. This is true also of Clark's. Now no abstract functional distribution in any system can of itself, or does of itself, obviate in actual life a million-fold deviation from the ideal standard; witness the contests in every historical form of social organizations. Nor has such a normal functional distribution according to one ideal the slightest validity against a normal functional distribution according to another ideal. Where

the clash is between the ideals, to show the harmony of the parts of one system is not in the least to satisfy the demands of the other system.

If rights, duties, in a word, ethics, concern the individual especially in his concrete social relations, let us turn then from Clark's abstractions to the actual workings from which the abstractions are derived. Prof. Clark will have an ethically pure distribution arise from the functional interaction of "groups." What then are Clark's gods in this matter, and what is their origin? The powers in his functional group distribution are pure labor, pure capital, pure self-interest, pure competition, pure mobility, in short pure abstractions. Whence these abstractions? From real life relations, of course. Concrete labor, concrete capital, competition, self-interest, mobility, all these and others are manifest in open daylight. And how does Prof. Clark purify and cleanse them from ethical taint? By intellectual surgery. Labor power he divorces from all other connections bodily or mental. Real labor power has a delicate nervous attachment; it is tied to a stomach which has cravings to be assuaged, to a body sensitive to heat, to cold, to storms of sleet, to peltings by the sun, a body subject to gravitation, to chemical, physical, and physiological powers. "If you prick us, do we not bleed? If you tickle us, do we not laugh? If you poison us, do we not die?" This labor body is even said to be accompanied by mental and spiritual qualities, to have emotional, poetic, aesthetic attributes. At times indeed rather hyperbolically every human being is said to have an infinite worth. For the Clarkian functional distribution the laborer is nothing but the bearer of so much labor power, so much incorporated work energy; nothing else counts. All other qualities and needs whether physical or spiritual are cancelled: even the influence of these other qualities and needs in determining the labor power, its application and results, is swallowed up in an abstract general or average.

The like is true of real capital and the capitalist. Labor power is incorporated in the laborer; not so, capital power

in the capitalist. Yet the capitalist also in disposing of his capital power is subject to and is driven by feelings and notions similar to these of the workers. But Clark's capital power is freed from all direct physiological connections with capitalists.

In large part, Clark's method of purification is to set down a long-run average. In actual fact, labor and capital may be thought to get respectively, now too much and now too little; here, capital and labor move slowly and with difficulty; there, easily and with rapidity. Tabulate results, count up, and average. Pluses on one side cancel minuses on the other; in the long-run, averages come out which represent more or less nearly what Prof. Clark's purified abstractions or tendencies, if fully realized, would in fact produce. These averages or norms, if not presenting Clark's tendencies and their results in full purity, contain nevertheless by far the larger part of the real truth in them.

Now who does not see that the averages or norms so obtained, and the purified representations resulting from them, in no wise escape into an ethically pure realm? The facts that deviations caused by unfair pressure on the parts of both capital and labor may be represented by pluses and minuses, and that in mathematics plus amounts may cancel equal minus amounts, do not abolish the feelings involved, do not cleanse away the taint. The results may disguise what is only a continuous saturnalia of ethical impurities. Clark has removed his law of distribution into the realm of pure mathematics; everybody knows how "pure" it is possible for mathematics to be,—and after a moment's thought, how completely removed from real ethics that mathematical purity lies.

Thus then the ethical purity of Clark's functional group distribution appears to be a misapprehension, or a substitution. The cuckoo put into the nest turns the genuine progeny out. When one considers the real forces behind these Clarkian abstractions, the passion for life, the passion for power, the passion for wealth, one readily enough perceives that Clark's abstractions are not the motors in the evolution.

One sees that the results manifested do not spring from the abstractions: rather the abstraction is a product, a shadow, an image. The ethical purity of functional group distribution is, as it were, an afterthought, a quality imputed to the results, just as "creation" is "imputed" to capitalists. The real ethics lie in the actors or participants in the economic drama. Observation and history disclose the composition, tendencies, and relative power of these causes.

Prof. Clark's functional group distribution is to avoid the "personal grievance" question. But as his groups after all are not independent somethings wholly superposed or imposed on persons (groups are made up of persons), so his functional distribution does not escape the personal class distinction of possession. His theory of specific productivity becomes an "imputed" specific productivity theory. In "imputation" devices, you can not avoid knowing that somewhere in the dim or misty background personal hands are pulling the strings.

To this fictional ethical purity of Clark's functional distribution and to his representations in general there is a simple but very crushing answer. It is found in history. Slavery and serfdom have found defenses analogous to Clark's. Not to dwell on the cases of slavery and serfdom, turn to recent centuries. In the earlier part of the English Industrial Revolution and of the American Industrial Evolution, labor, capital, competition, and self-interest were as nearly pure as could well be desired; that is, unrestrained economic individualism had almost full sway. The result:— British life, national and individual, was being rapidly consumed to filthy ashes. English factory legislation, even by the longer-headed exploiters, was the part answer. The course in the United States was not just the same. There age-long distinctions of classes did not exist. Population was not so dense. There was free land beyond the factory fence. This free land and the essentially democratic spirit it engendered relieved the United States of the English horrors. To-day the United States is often represented as the completest illustration of capitalistic

development. The evolution has been much more nearly an economic one. The struggle has not been complicated with inherited class and religious enmities. But, to-day 1913, the dominant questions are labor legislation and the regulation of big businesses. The ethical paradise of Clarkian functional distribution culminates in a hell of unrestrained individualism, followed by regroupings of forces wherein the personal unit is more or less submerged in class or union contests. The Clarkian utopia as tried out in history reaches purgatory in fact, because those abstractions of Clark, pure labor power, pure capital power and so on, are but fractional rarefactions of quite other concrete actors moved by more personal motives. The ethical purity of his functional distribution is a schematic dream. Other elements count for far more in producing divergence than his pages permit us to see. Economic history demonstrates the utter inadequacy of Clark's economic defense of bourgeois ethics.

In line with the preceding is a delightfully sombre humor in Clark's treatment of that "glorious" risk-taker, the enterprizer. Clark will have a law of distribution "desirable and morally justifiable," but to secure this, a world's desire, it is necessary that the heroic enterprizer expiate his existence by suicide; — by competition he gradually throttles himself into the land of shades. Now in our society of to-day the enterprizer has become an object of much animadversion. He is accused of all sorts of exploitation. One of the greatest of them, Carnegie, tells us that competition is dead, that combinations dictate prices, and so on. Crimes innumerable are charged in general to the account of the enterprizer; the chorus is loud and from very unexpected quarters with accusations of extortion, stock-watering, money-mad pursuit of gain, and so on. All this evil, whether real or only fancied, Prof. Clark in his utopia sponges off the slate by having his enterprizer suicide. Clark is to justify the present division into *wages, interest, and profits;* — "distinct kinds of income," since each has a "different origin." Apparently, self-

murder by the enterprizer cancels one-third of the problem; surely, an easy road to ethical purity.

But how are we to transfer this phase of the Clarkian state to our own society? With us the enterprizer lives and flourishes greatly. Indeed laurels adorn his head plenteously. Where is his present ethically pure creative contribution, or imputed creation — he not yet having committed suicide? The astronomer finds the problem of three bodies too difficult for other than approximate solution. But then he comes to the three-bodies problem with a full solution of the two-bodies problem. Given the mass, direction, velocity, and so on of two physical bodies, and the astronomer will tell you exactly the path each body of the two will take. Add a third body, and with all the data determinate, the formidable enginery of mathematics will yet yield only an approximate statement of the path each of the bodies will pursue. Prof. Clark has his three-bodies problem of to-day, laborer, capitalist, and enterprizer. He is to plot their course, economic and ethical. Fortunately for Prof. Clark, the enterprizer must die. The problem becomes that of only two bodies. Prof. Clark then sets out to demonstrate creationism. The solution in the end turns out to be only imputationism; and even in this solution, the ghost of the enterprizer appears again and again upon the scene. Dead, his sins are wiped out. Only as a purified spirit perhaps does he reappear to give life and movement to Clark's abstractions. We could have wished that Prof. Clark had tried more fully his imputed creations upon this third body, and his efforts in the present life, particularly in connection with the specific productivity of labor and of capital.

Or is it that Prof. Clark is after all not quite serene concerning the present-day functions of the capitalistic enterprizer? In his utopia, the enterprizer dying, some one else takes up the enterprizer's work — capitalist surely, not the empty-handed, empty-headed laborer. Is it that the capitalist shall not be a mere possessor, but shall do active social labor, or is it that the enterprizer is with us an interloper, a power-

ful parasite sucking up spoil from both labor and from capital? As you will. But somehow by this changing of functions, Prof. Clark has managed to wipe out in his utopia a mass of questionable practices and relations current in our day.

Prof. Clark's knightly, ethical enterprize has apparently something quixotic about it. Don Quixote in his tilting enterprize undoubtedly saw something real. He was animated by ideas and emotions quite as noble as Prof. Clark's. Considerations from other view-points resolved Quixote's illusion, Consideration of Prof. Clark's enterprize seems to result in a similar disillusionment. When one tests the matter according to the criterion apparently wholly approved by him, one meets something very much like contradictions. Though seeking to escape from "pure ethics" into economics, Prof. Clark admits into his "economic causation" a permanently biasing factor. Interest as such is the evidence. Descending from his rarefied abstractions one finds the force concealed in the biasing factor more or less ruthlessly at work in concrete relations. Slavery, serfdom, industrial and commercial exploitation in all ages, is the proof. Insurrections, revolts, strikes, labor legislation, is the corresponding response.

CLARK'S ETHICS ARE RELATIVE AND TRANSITORY

No doubt Clark's defense of capitalism invokes an ethical system. We now see that it is imputational ethics. The test which he advances, workers satisfy directly; capitalists satisfy it by imputation, the power of their machines is imputed to them. Ancient indeed and far-reaching is the doctrine of imputation, not merely for this life, but also for the life to come. All virtue is attributed to the ruler, his vices to his agents or ministers. Membership in a caste, in a class, possession of certain blood descent, each confers by imputation privileges, powers, virtues, or their contraries. We even reach heaven at last according to some by the same device. To-day the instruments of production having become

so tremendously complex, a modern "pure science" problem arises in order to apply with perhaps greater subtlety the imputation doctrine. Look away from or below the stately columns of these structures, and see as their foundations concrete modes of social organization for the production and distribution of economic goods. Every thing turns upon this fact. Taken typically, each case presupposes a material environment, a technique of production, a population, a psychology, and an ethics, all consonant with one another. Regarded concretely, one sees human beings of varying qualities in certain material surroundings, battling individually and in groups to maintain life by the creation, distribution, and consumption of economic goods. Prof. Clark's case is merely one of these possibilities.

Clark's ethics are therefore only relative ethics; they depend upon and express social forces. These forces and their resulting ethics are perfectly "natural" but they are also special to a particular social combination. Given a different social combination, and different but equally "natural" laws of distribution will result with a consequent different ethics. Prof. Clark knows better than most of us that economic systems have differed widely in the past, and that the ethics of these different economies were quite dissimilar. The ethics of a slave economy, of a serf economy, the laws of distribution in household economy, and in town economy, were just as "natural" as are bourgeois ethics and imputation distribution in an exchange economy. Why then should Prof. Clark obscure the matter by a slight reference to "pure ethics," and then adventure on his subordinate ethical enterprize? Is it that he himself is ethically confused, or is it that he has so concentratedly viewed his economic problem as not to feel the wider relations between ethics and economics? Seemingly he does not admit in this matter, that however "natural" and indeed however justifiable, imputation ethics may be in certain social and economic relations, other ethical concepts are just as "natural" and inevitable under changing social and economic conditions. Failure to

keep in mind this relativity of ethics leads to those rigid representations which only intensify social passions arising from conflicting interests born from changing conditions. Hence the passionate combats, and the confounding of different ethical ideas, creational and imputational among the rest.

Prof. Clark's abstractions express the soul of bourgeois ethics. In his airy realm all seems serene and pure. If only the real world corresponded with accuracy. But the two worlds are not quite alike. Not one of Clark's pure abstractions but departs widely from reality. Hence the Clarkian schema is only a fractional aspect. An attempt to push the schema throughout social relations reveals its onesidedness, and also the onesidedness of the derivative ethics. For after all, this abstract fragment of actual life is but the idealized reflex of the dominant powers. The feelings of approbation attending the parts constitute the ethical garb. Those feelings express and reflect the desires and purposes of the holders of power. The vast, intricate, and changeable system of private property with all its derivatives is the sufficient proof. This system expresses, (a) the real indispensability of economic goods to human welfare, physical and cultural; (b) the special views of the ruling class concerning this necessary relation. The dependence expressed in (a) penetrates every phase of human activity, scientific, aesthetic, practical. Sentiments of social welfare approbation attach themselves to aspects of these various phases. These sentiments if mass resultants constitute ethics. As mass resultants they express power. Within our society the chasm between the possessors and the dispossessed demonstrates the place of power. The history of all societies wherein private property, especially in productive fields, has held full sway shows that the holders constitute a small class. The direct power of this small class was reinforced by the much vaster power of the rest of society; economic dependence generates psychological dependence, which in turn maintains and tends to perpetuate the economic dependence; witnesses,— slavery, serfdom, caste

systems, and even the deification of the emperor belatedly lingering among the Japanese to-day. Hence the ethical sentiments which Prof. Clark would instill into us from his economics of private property in all productive instruments, represents only a limited class ethics, bourgeois ethics. His refusal to discuss "pure ethics" merely indicates that he refuses to go outside of his private property schema; he will remain bourgeois.

Exterior real forces mold a social situation; this is true of even a dependent psychology. Since individualism is now giving way to unionism, competition to combination, simple hand tools to huge complex machines, primitive means and methods of communication to gigantic transportation, telegraph, and telephone systems, isolated self-maintenance to completely socialized production and dependence, simple uneducated labor to a necessarily highly trained labor, ignorant superstition tremblingly supplicating fantastic and unknown gods to calm clear-eyed science that tries out with law-born impartiality the old and the new, what wonder if in actual life another ethics should seek to jostle the old ethics from off the field.

The foregoing discussion should afford at least the dawning of the perception that ethical ideas and ethical passions are wholly relative and of experimental origin. The bourgeois sees a heaven of rest and peace in his property-born imputationism. He regards a socialistic idealist as something akin to a madman, an ignoramus, a criminal, an adorer of unlimited "pig's-wash." The socialistic idealist, even of the Marxian stamp, is apt to read into the ordinary bourgeois, narrowness, conscious and intentional hypocrisy, greed, cunning, violence, and all other vices which human nature is capable of. But an intelligent glance at history, especially in its sociological and institutional aspects, shows easily how diverse ethical codes are, and how surely for the mass these codes run into schematic forms which take on aspects of finality for those pledged by the accident of birth to a maintenance of life and social position under them. Imputation flourishes as a

schematism, because the interests and passions of the preent holders of economic power demand imputationism as the psychology consonant with the maintenance of their position of advantage. Creationism is a flourishing schematism, because this concept answers better to the demands of the workers. Divine rights and theological postulates are schemata, just as are purity of birth, or caste systems. For exactly similar reasons, slavery and serfdom find like schematic expressions. An examination of history shows ethics to change with the changes of the conditions of life-maintenance. Even to-day one finds ethical concepts differing for different social strata. But the conditions of life-maintenance are inevitably the fundaments of social and individual existence. Ethics are only an expression of these conditions and relations.

It follows then, tentatively at least, that the mode of consciousness called ethical is in great mass economic in origin or reference. "For nothing does the state exist if not to protect property." If then the huge modern state have no other, or at least no stronger, warrant for its existence than to protect property, one can see at a broad glance how deeply penetrating and all embracing this economic ethical consciousness must be. The immense power of this general social consciousness, envisaged in each individual as personal bourgeois ethics, to mold the coming generation is also manifest at inspection. Always the economic determinative gets itself expressed in various abstract schematic phrasings dealing with humanity as such,—"use no man as a means, only as an end in himself," or with abstract, absolute, eternal, indefeasible rights, and so on. Thus a dominant ethical creed appears to stand wholly on its own feet independent of economic or other relations. It claims the right and the power to dictate terms to society as a whole. Presented thus to each newcomer into its world, it takes on for him the aspect of "an ordinance of nature, a decree of fate." A resolute scrutiny of its claims in the light of history and of comparative ethics makes tatters of this claim of finality. Such a scrutiny exposes to the clear, cold light of reason the ultimate

principle of all ethical relations, the changing welfare of society, and through society the welfare of the individual.

Bourgeois ethics in no wise escape this principle. They are in no wise a product springing from developmental processes immanent in pure reason as such. On the contrary the schematic form given to ethical concepts varies with the changing outer and inner forces determining concrete objective relations. Capitalistic ethics are a historic evolution. But since neither history, nor evolution, however personified, represents a separate independent power, but each is rather an abstract general expression for the passionate reasoning men and women who amid external circumstances live and make history and evolution, so these same concrete forces can in the future swing together into a different alignment,— in which case bourgeois or capitalistic ethics must take the road of all things human; they must march to the grave. It can only be hoped, not guaranteed, that the efflorescence which shall take possession of the vacated space will have its roots in a finer human soil.

CHAPTER IV

AUSTRIAN-YALE THEORY OF INTEREST

Economics and Ethics; Charity; Interest, Old and New; Boehm-Bawerk and Fisher; Ethical Undercurrents; Marxians.—The Interest Question Accurately.—Boehm-Bawerk's Theory and Reasons: Underestimate of Value of Future; Provision for Future; Technical Superiority of Present Goods; Fisher's Additions.—Discussion: I. "Necessities" Confused: Unchangeable and Changeable "Necessities"; Changeable Elements Are Active Causes; Time, not Specific Cause; Psychological "Necessity," General, Austrian; Interest, a Social Product; Interaction of Nature and Man; Specific Cause of Interest Is the Mobile Element. II. Boehm-Bawerk's Reasons Are Products of Present Institutions: Underestimate and Present Provision; Wages and Wage-Classes in United States; Contrasts; Absence of Security; Weakness of Majority Increased; Slave Psychology; Technical Superiority of Present Goods; Effect on Psychology of Holders and Children; Habit; Love of Offspring; Austrian Interest Largely Circular.—III. History: Loan Interest.—IV. Cause of Interest: Production Process, Labor, and Costs; Interest Rate and Profit Rate; "Pure" Time-Preference Omits Social Causes and Is a Product; Fisher on "Slowness of Nature" and "Impatience of Man"; Fisher on "Exploitation"; Social Control of Time-Preferences; Time-Preference Is Resultant of Outer Forces; Real Cause of Interest Is Gain; Time Is Formal Cause. V. Ethics of Case: Boehm-Bawerk's Position; "Intuition" Unworkable; Ethics Change with Change of Seat of Power.

The intimacy of the connection of ethics with economics becomes more and more interesting, the more carefully the relationship is studied. This connection, our professional ethical teachers seem not to have noticed with sufficient care and fullness. Their neglect, much more explicable on economic than on ethical grounds, is itself an additional illustration of the fundamental principle of economic determinism. Further illustrations are found by considering the

varying fortunes of the different virtues in connection with their economic substructures; charity for instance or the care of the poor. In the day of the gentile or kinship organization of society there were no poor in our sense of the term, that is, persons without means who by law and public opinion must depend upon themselves alone for maintenance; mutual aid, clan support, was a thing of course. Similarly in the patriarchal family, in the larger household economies of former days, in the civil support and distribution of grain in ancient cities, especially in Rome. Then in western civilization came the gradual assumption by the church of the care of the poor; the change in the churchly care as the economic status of the church varied; the further changes due to the breakdown of feudal and clerical administration; then the entrance of the civil power with its poor-law regulations; the extension of a long-headed economy of prevention over against transient relief; and finally the cutting criticism of existing society by socialistic and non-socialistic reformers; all these changes in ethics marking the steps of changing economics, furnish matter for seriously interesting thought.

Interest-giving and interest-taking is another such problem in ethics and economics. The question has been a subject of bitter discussion for centuries. Not a few writers desire and endeavor to find modern economics fundamentally free of all ethical taint. This taint seems very noticeable in the immediate neighborhood of interest-taking. Accordingly the line of interest defenders appears to stretch out interminably. The entire tribe of economists professional and official find the interest problem an ever-stimulating question. To-day interest-getting is a world-wide phenomenon, and it has in some forms paced this earth these thousands of years. If it be no easy task to write an indictment against an entire nation or people, it would seem not less dangerous to write an indictment against a phenomenon which was Babylonian with the Babylonians, Greek with the Greeks, Roman with the Romans, which is English with the English, Jewish with the Jews, Japanese with the Japanese. So universal a phe-

nomenon, a stranger to no great historic people or epoch, must seemingly have roots striking deeper and deeper into elemental soil. Hence the attempt again and again to explain and to justify the taking of interest. Accordingly the explainers have given to us a "round dozen" of theories, with of course eclectics of every shade and variety. There is attack, then counter attack, distinctions and casuistry in great abundance. Still the debate goes on. It goes on, because the phenomenon itself and certain unhappy results reputed to be indissolubly connected with interest-taking are always before us. Hence theory has as it were to systematize, explain and justify, or to systematize, explain and condemn a phenomenon well-nigh universal, at least in all lands classed as the most advanced of the present world.

Perhaps the most distinctive of the recent presentations of this problem is the psychological explanation of the marginal utility school of theorists. Although not earlier in the field than the English Jevons, the Austrians appear to have pursued the matter from this side with so much diligence that the theory is properly enough called the Austrian theory. It it represented typically by Prof. Boehm-Bawerk, who develops his solution of the interest problem specifically in his two volumes, "Capital and Interest" and "The Positive Theory of Capital." Since the views of this Austrian school appear to gain wider and wider currency, it seems not out of place for present purposes to look somewhat critically into this explanation and defense of interest.

The older economists had of course their theories of interest. They regarded matters more perhaps from the objective side. They took men's wants and desires as more or less granted, fixed, or understood. Their questions were as to the external objective arrangements, forces, or causes which interacting brought about the production and distribution of wealth or economic goods. The newer economics is a product of dissatisfactions with the older classic schools. The old views appear to have led into so many blind alleys, to have run into so many confusions and circles,

and they became so much a prey to socialistic criticism that a newer basis had to be found, if the socialistic attack of Rodbertus, Marx, and others was to be adequately met. From 1600 A. D. onward, the conflict between the remains of feudalism and the rising commercial industrialism, the immense advance in productive machinery and the means of communication, the vast increase of population, the breaking down of traditional habits, instruments, and processes,— all these and other elements forced to the front an individualistic attitude. All society was being turned into one vast market for exchanges, and in this market actual exchanges for the most part took place seemingly between individuals. Hence the psychological plunge of the "Austrian" or the final or marginal utility school. From being objective, economics appears to have become more subjective or psychological in its explanations. In a way then the Austrian doctrine is much more subtle than its predecessors. The explanation and defense of interest from this view-point is apt to gain a seeming universality and completeness quite captivating, if not ensnaring. The appeal to common human nature and experience, if neatly phrased, finds a ready echo in every person's mind, because in fact that person is himself a product psychologically of the very forces and institutions which are under discussion. Hence the subtlety of any errors and the difficulty of displacing them from the mind of the casual thinker.

Prof. Boehm-Bawerk has put immense and acute labor upon the problem, and has summed up his studies in the two books mentioned. Prof. Fisher of Yale College in his "Rate of Interest" has recast in some respects the theory, has rectified Boehm-Bawerk's misinterpretation of one of the main principles, and has in general presented the matter in so masterly a fashion as to give to it within his chosen limits a relatively final form. So finished a product is of great use both to those who accept and to those who reject the marginal utility doctrine. We shall accordingly deal with Boehm-Bawerk's and Fisher's representations of this psychological school.

In the 426 pages of "Capital and Interest" Boehm-Bawerk reviews the history of interest theories, states, criticizes, and rejects all former solutions of the interest problem. The gist of the entire book is: — former theorists have either not seen the problem clearly, and thus could not give an adequate solution, or having finally come to see the problem clearly, their solutions in effect beg the question. His second book, "The Positive Theory of Capital," contains a statement of his own view and an elaborate explanation and defense of it along the whole line. Prof. Fisher accepts as solid Boehm-Bawerk's position, he rejects as non-significant one of Boehm-Bawerk's pillars, adds a supplementary item or two, gives the whole a mathematical dress, and furnishes a complete solution of the problem so conceived. Prof. Fisher appears to have done his work beautifully. He has schematized certain social relations under mathematical forms, and within his presuppositions has dealt with these forms, seemingly, with mathematical finality. But however adequate his work under his presuppositions, it may be a far cry from his schematic version to the general social problem involved in interest-giving and interest-taking.

In most if not all interest explanations, a powerful undercurrent makes itself felt. On the one hand, interest-getters and their defenders would have it appear that interest is as inevitable as gravitation or death. They tell us, it has existed, it does exist, and will continue to exist, be the social constitution what it may. Being thus inevitable, it must be proper and just; there can be no exploitation about it, it is an equitable demand, a righteous requirement, it can not be avoided or overthrown, and therefore any attempts along that line are illusory, utopian, contrary to the fundamental laws of human nature and of human society. On the other hand, the socialistic criticism by Rodbertus, Marx, and others made such inroads upon former naturalistic interpretations of interest-getting as to shake greatly the old structures. These critics find interest common indeed, almost universal in fact, and yet with all that they find it essentially unjust,

unrighteous, that is, a wholesale exploitation of the weak by the strong.

It matters not at this moment for present purposes whether the socialistic attack is founded upon so-called pure ethics or upon economic necessity. A Marxian for example can readily explain on economic grounds why interest-taking must under certain conditions arise. He can accept its relative ethical validity and can go on then to explain his demand for and his expectation of its extinction. In other words the Marxian can largely accept the general doctrine of the so-called naturalistic defense of interest and yet refuse the aspect of finality, and the consequent ethical purity, such as many of the orthodox economists appear to predicate of it. On the other hand, abstract ethical and social reformers find their criticism greatly blunted, where interest is represented as an inevitable product of "natural necessity." If interest-getting can be grounded on psychological and objective facts which stand outside of any and all possible or conceivable social arrangements, then idealistic or utopian ethics must largely regard the matter as for instance it regards the law of gravitation, namely, interest *per se* lies wholly outside the scope of ethical discussion. The Marxian however is not so straightened in this matter. His entire doctrine compels him to find that the significance of even these so-called ethical and psychological "natural necessities" is a nullity outside of their social and economic actions and reactions. The Marxian is therefore bound to examine with quite critical eye these "natural necessities" invoked. Just as the "social contract" man, the "economic" man, the angelic or "pure reason" man of a Kant, have been found to be abstractions which in effect tacitly beg many of the matters in dispute, so it may be found that this latest psychological product again presents a like round of subtle petitios. At all events the present purpose is to examine this claim of interest-getting as grounded upon natural and psychological necessities, and thus to pave the way for a clearer appreciation of the so-called ethical purity of interest. If the significance of interest-getting be found

to rest wholly or even largely upon human social institutions, the nerve of this thousand times repeated ethical defense of interest as a finality of "natural necessity" is cut. One obstacle to reform ideas is thereby removed.

THE INTEREST QUESTION

First then the interest question itself more fully and more accurately. Now it is a commonplace of everyday knowledge that the European nobility, their kings, lords and ladies, our millionaires, bankers, and capitalists in general reap a great harvest of wealth. Thousands of them actually have no other business in life than to spend their constant inflow. There are literally thousands and thousands of persons who live and that too most handsomely upon the interest of their investments. Thousands and thousands of others labor, scheme, administrate with tremendous and terrible earnestness, and as a result pile up thousands and even millions of dollars. Our Carnegies and our Rockefellers reap huge profits. Thousands and again thousands undertake the same feat and are crushed in the attempt. Millions and millions labor from the dawn of youth to an early broken manhood or to a late disintegrated old age with never a momentary vision of such a personal possibility. The vast majority labor forever; some, relatively few in numbers, live on the interest of their possessions.

Now the question is: — Whence this interest on capital as such? Whence the possibility of a man living, and that too very handsomely, without ever doing a single stroke of work? That he lives from the interest of his capital investments is plain enough. But what is the explanation of the origin of this interest? This interest is net interest. The profit of the enterprizers, of the Carnegies, of the Harrimans, in the days of their active service, might readily enough be granted to arise from the exercise of remarkable powers or from the using up of remarkable chances. Their rewards might be regarded at least as a just return for their extraordinary abilities. But how comes it that after they have ceased from

their active labors, their capital can go on bringing in to them a yearly return, so many per cent of their total investment? The laborer you plainly see at work upon a serviceable article, a pair of gloves, a plough, a wagon, or upon something that you positively know to be useful. The superintendent, the manager, and the boss you can plainly see to be doing necessary work in directing, managing, conjoining the separate individual efforts of the hand-workers. You can easily see a Harriman evolving, as does an inventor, a new combination more effective than any former one for doing a certain work profitably. All these receive an economic reward, much of which you may be quite ready to pass by at first as more or less faultlessly earned and paid for. But these interest-getters, whose pleasant privilege it is to clip coupons, what do they do in the acts of economic production?

BOEHM-BAWERK'S THEORY OF INTEREST AND REASONS

The older economists, says Boehm-Bawerk, did not clearly see this problem of net interest as such. They confused the matter more or less with wages of superintendence, with insurance against risk, with sinking funds, with profits in general, and thus their explanations from natural vital fertility, from abstinence, from capital productivity, from labor displaced or accumulated, from uses of goods, from exploitation, — all missed the mark. Each caught up some aspect or phase of the question, but each failed to find the specific cause of the net interest. This specific cause of net interest Boehm-Bawerk finds in the human psychology of time relations. Interest arises from discounting the future. A person's estimate of the subjective value, the desirableness or probable usefulness to him of a future good is necessarily less than his estimate of the subjective value of an exactly similar good to be had at the present time; or more tersely — "future goods are less valuable than present goods of exactly the same amount and kind." This subjective difference causes various persons in actual external relations to exchange or to promise for present goods a greater amount of future goods. The dif-

ference of these two amounts is net interest. Looked at from the present, the larger quantity includes the present worth plus net interest. Looked at from the future, the smaller amount is the discounted value of the larger. Interest thus registers and measures the influence of time upon valuations. Now no form of society can escape such differences in time valuations. Hence interest is one of these natural necessities against which it is useless to declaim and vain to contend. Our author details three reasons, that is, three large groups of facts, which make for his contention.

Underestimate the Value of the Future

As a fact of mere psychology we habitually attach less importance to future pleasures and pains and hence to the corresponding goods, simply because they are future. This attitude children illustrate up to a rather late age; motor impulses fill their lives; their day is crowded with sensation and action; a year is an infinity of time. Savages the world over and of course throughout all past ages seem to take scarcely any thought for the morrow. Economic calculation on their part is almost without exception purely non-existent. Besides these persons, thoughtless workers abound. We ourselves in eating, drinking, putting off till to-morrow, yielding to the influence of the present hour and present companions, to unthinking generosity, all manifest the same lack of regard for anything but present feelings and impulses.

We lack mental strength in this direction. Either we do not remember distinctly and acutely our past pleasures and pains in connection with some good, or we do not possess a vigorous enough imagination or pictorial power to produce a lively realistic image of our future wants, pleasures, and pains. Often enough the sensations and the emotions of the present hour are so engrossing as to leave us no power at the moment to picture a future good. So that if such a good were offered to us under certain conditions, we might decline to give to it even a momentary consideration; or as implied above, even in calm reflection whether idle or earnest, our representative

power might produce only a weak or faint image of the future use.

Or the weakness might attach to our wills. We might have a lively enough sense of the future, but as with many a "good fellow" we might not be able to stick to our judgments or resolutions concerning foreseen consequences. The impulse of vanity in the presence of others, living up to their expectations, imitation, going with the crowd, mob spirit, or class spirit, all these may upset our coolest decisions, just as the sight of liquor, its odor, or the chance to secure it overturns many a drinker's wisest resolve. Thus from weakness of will and of imagination many of us habitually underestimate the value of future goods.

The shortness and the uncertainty of all human life work to the same end. This uncertainty so far as it is objective, that is, pertaining to external wants or objects, does not concern us here. That may be handled by the doctrine of probability or the theory of chances; it can be evaluated, and so far be reduced to certainty. It is the subjective, the mental incertitude, which is here referred to, the attitude of the mind itself. As regards personal consumption goods, no man would estimate a consumption good of any value at all to him, if that or a like good were to accrue to him only after the lapse of 150 years. The rarest, the daintiest, the divinest possibility on such terms would not be worth to him for personal consumption the meanest and tawdriest utility of the present hour. A Methuselah might naturally hesitate to reject such a possibility ; a Methuselah or some other of the old patriarchs, but hardly any twentieth century man. Nor if you diminish the interval to 100 years, or to 50 years, would there be any considerable variation as to the valuation of a personal consumption good. As you shorten the interval, the valuation rises higher and higher until there is at last but little or no difference between the valuations of present goods and those of the immediate future. The falling away in valuation is of course most marked in regard to personal consumption goods. But even of more permanent goods, lands, houses, or that

succulent essence of all material goods, money, a like diminution is observable. The future is the great unknown. Innumerable chances and mischances lie behind the veil. The uncertainty of health, strength, and life itself, the entrance of organic bodily and mental developments which may change all possible valuations of goods whether transient or permanent — all these make themselves felt. As a boy a rattle, a fife, or a drum sufficed; as man you put away childish things; as expanding man you expect organic or mental changes to nullify present estimates; as aging man the whole world with all its values may fade away into nothingness, economic goods most of all. Be the objective causes or the internal reasons what they may, we are certain only of the immediate present, we are ignorant of the future. This relation is reflected in different degrees of intensity in the psychology of every person. Hence as a rule the present is more valuable to any man than is the future.

Provisions for the Future

It is evident that we really live only in the present. We may dream of the past or of the future, but we reach the future only through the gateway of the present. Accordingly present wants are paramount. Food in abundance in one year and no actual food till then, means for all of us no food even then, since we should then be dead. A future overcoat is no protection against the present storm of wind, snow, and sleet. A palace in ten years does not shed tempests of rain or hail in the present. Lucullus feasts in imperial purple in a golden house of a Caesar in ten years will stay no present pangs of hunger, thirst, or love. A Juliet might in wish split sun and moon into jewels to hang on Romeo's neck, but it is the living Romeo she wants in the present moment, whether he have sun-bursts on him or not.

In general, present wants must have present supplies. Now the enormous multitude of mankind are but scantily supplied indeed for meeting wants even in a brief present, to say nothing of a rather long future. Relatively few are amply provided against the future. Even these have to exercise

care, or by a too injudicious overvaluing of the present or undervaluing of the future, they also quickly join the great numbers who have little or no provisions against the coming storms. Hence for legions, "imperious care," or his fellow, careless improvidence, ever sinks future values lower and lower, or heightens present values to be the sole object of momentary consideration and regard.

To this great throng of the permanently poor is to be added the not uninfluential number of those who under the lash of invidious emulation are seeking improved future circumstances. The young, looking for development, hoping for a better day, spend borrowed amounts to be repaid with increase, when a positon or professional status is achieved. The rising lawyer, or doctor, or aspirant for influential station in any line, he, or his family, or his friends pay out large sums to be repaid with increase when success is gained. All these supply present needs at the expense of the future. Likewise our national governments, our states, counties, and cities saddle upon the future the payment for wars, Panama canals, and various other purposes and improvements. Thus again the mass average of this practice causes the present to overtop the future.

Technical Superiority of Present Goods

Boehm-Bawerk puts much labor and weight upon this third support. He elaborates a number of mathematical tables, and insists that his structure stands or falls with this particular prop. Prof. Fisher successfully shows that Boehm-Bawerk is under an illusion here. Though not the key-prop as Boehm-Bawerk thought, it does add an element of strength. It is of course evident that future goods can not satisfy present consumption wants or present production purposes. It takes time to produce anything. When the means and instruments of production are at hand, production may begin at once. The desired result may be had earlier than if the means had first to be made and assembled. Often enough a chance combination of circumstances, a favorable opportunity, might be richly productive if only one had the requisite

means on the spot. Always present goods may be devoted to immediate consumption, to immediate production for the future, or to the seizure of the flying chance,— as by buying up bankrupts' stores, or as brokers by making money at both ends of a financial squeeze. Future goods can not be devoted to present consumption, to the immediate furtherance of future production On both counts present goods are to be preferred to an equal amount of like goods in the future.

Precisely on the above ground Boehm-Bawerk casuistically adds another moment to the forces leading to the underestimate of the future Since the vast majority of the poor are so scantily provided for, one would think that an abundance of possessions would surely lessen the general underestimate, and especially that of those having an abundant stock. So too it does from the mere consumption side. But when you add the possibility of future gains, you readily see how Boehm-Bawerk turns the power of riches into a reason why the wealthy also add their underestimate to that of the poor. Their possessions enable them to seize for themselves the flying opportunity with all its possibilities of gain. On one side they stand to pay larger amounts of future goods than the average, because on the other side they expect to reap still larger profits. How different then is the psychology of the poor from that of the rich. Scanty supplies, weakness, fear, against full stores, strength, and hope of gain. These classes are poles asunder in their attitudes. The one in effect consents from necessity to be exploited; the other hopes from institutional arrangements to be able to profit from the weakness of others, that is, hopes (however unconsciously) to be able to exploit.

Prof. Fisher adds to the above some further considerations as having influence upon a person's time-preferences. Habit is one of them. What one has been accustomed to powerfully affects his valuations of the present and of the future. No one can easily shake off long-established habits of thinking and feeling. The rich man's son will think and feel differently from the poor man's concerning present values. On the

whole we may say in effect with Fisher that the poor, the spendthrift, and the prodigal rich will overestimate the present, while the saving poor and the reasonably careful rich will not unduly underestimate the future. Another element mentioned by Fisher but implicitly included in the above statement is care for the welfare of offspring. This leads to that saving and expenditure for the benefit of children as is represented in advances, for the help of the rising lawyer, doctor, or other aspirant. Fisher further discusses the influence of certain elements of man's income as determining his valuation of time, the size of the income, its regularity or evenness, its composition, its probability; but these points are implicitly contained in Boehm-Bawerk's presentation. Still another and wholly non-social element of interest he suggests, namely, the cycle character of nature phenomena:— the seasonal output of wheat, or cereals in general; the time element in animal fruitfulness; the migrations of fish, fowl, and game animals; seasonal variation in water supply; transportation possibilities and so on. In any continuous economy account must be taken of these natural facts. The wheat supply must be stored for future use. These periodic recurrences of abundance and dearth (if no storage takes place) must lead eventually to a perception of the difference between present and future values. This difference, says Boehm-Bawerk and Fisher, is in effect nothing but the phenomenon of interest-getting.

Thus it seems that future goods have less subjective value than have present goods. Now, continues Boehm-Bawerk, these subjective valuations of various persons clash. Objective exchanges can therefore take place. The ratio of exchange between present and future goods is determined by the relative strengths of these subjective valuations. But since the overwhelming majority of exchangers are compelled to regard the present as more important than the future, it follows that objective exchange ratios will always show future goods as less valuable than present goods. Interest registers and measures this difference in the valuation of the

present over the future. Interest is simply this difference realizing itself in actual life.

The above are the essential grounds of Boehm-Bawerk's and Fisher's representation of interest-getting as a "natural necessity," as a something quite independent of social institutions, against which it is useless to complain and vain to contend, and hence that it is ethically sound and pure at the core. Now it is certainly not our purpose to gloss over any facts of nature. We have no desire to tilt against wind mills. We shall not deny that there is a difference of some sort between the present and the future. We shall admit the cyclic character of many natural phenomena, cereal harvests, animal fruitfulness, migration of game; we shall admit differing intellectual, emotional, and volitional characteristics in man; hence differences in efficiency. But we shall insist that this general argument must stand as other arguments in economics, the conclusion must follow preponderating forces. For example, current economics presuppose that each man pursues his plain economic interest. This assumption is false in millions of cases. But with all that, economic science and economic facts remain true in general to the presupposition. So in this case. We shall seek to indicate, (a) that this marginal utility school misconstrues some of its natural necessities, (b) that its psychology is in a sense largely superficial, and hence the conclusion founded on this base is largely a circular petitio, (c) that it is historically false, and (d) that hence the ethical status of interest is quite misconceived.

"NATURAL NECESSITIES" CONFUSED

As to the first point, these "natural necessities." We have already seen something of these necessities in the preceding article, but it is worth while to look a little more closely at them and their interrelations. The appeal to "natural necessities," so seductive and effectual to the casual reader, is apt to jar on the critical thinker. It belongs to the same class as appeals to "intuition," to "self-evident" truths, to patriotism, to the tenets of this or that group to which one belongs.

What one desires, what one is familiar with, appears to a person so "natural" that only with great difficulty does he believe that others can really think or feel differently. But the number of ideas, beliefs, feelings, and practices which have been branded as "intuitive," "natural," and so on, is so great, and the ideas themselves are so variegated, that one more or less familiar with the motley company will look askance at any new aspirants in this line. So many swans have turned out to be only geese after all. This confusion is particularly apt to occur in dealing with social and psychological interrelations in connection with objective "natural necessities." A dependence of mind and of society upon natural laws is so manifest, that loose or artful handling of the relation can easily lead to mental confusion. Or a dependence specialized in its expression by reason of institutions growing out of it may have peculiar and necessary consequences. The necessity in this latter relation may be treated as if it were of the same primary class as the necessities of objective nature. Or again cases occur wherein the flexible derivative character of the principle, belief or practice is quite evident after a short reflection, yet so current is the belief or practice that for the moment its presuppositions are forgotten, and it too is treated as an axiom, or undebatable question. Political party platforms usually contain a large body of such statements. It follows from the above that one must not be too hasty in accepting the "natural necessities" argument, especially in social and psychological matters.

First, there are the necessities of physical causation, the regularities of chemistry, astronomy, mechanics, physics, and so on. Man can not cancel or change these laws in any way; by knowing their reliability, he utilizes them to effect his purposes; himself material, he incorporates them in his very person. Next, the laws of biology. For man these laws also are in mass as objective and changeless as are the laws of matter. To the stores of minerals and soils, to the seasonal variations of heat and moisture, of tides, of streams, of

wind and water, are added forests, crops, herds, and the migrations of fish, fowl, and other food animals. Thirdly, and farther inward are the mental necessities; the sense organs and their perceptions, the whole mind of the individual abstractly considered. Then, the mental make-up of these individuals as *social* beings. To all these may be added the necessities of mathematics, those of space, time, and number, regarded as somehow objective.

Causes of Institutions

Now all these groups represent "necessity" in some degree. Neither as abstract individual nor as social unit could man exist apart from the relations indicated by them. They therefore enter into every individual's needs and into every social institution; they are part causes, in the broad sense of the word. When however one considers the marked difference in these "necessities," the strictly physical, the mathematical, and the broad objective biological laws being unchangeable by man, while the psychological and social uniformities, hardly changeable at all by the individual, are yet known to be changing all the time,— one sees that confusion will quickly arise in some minds by an appeal to "necessity," especially when these groups commingle in the production of a result. One sees furthermore that in order to call a social or a psychological phenomenon a "necessity," it is not sufficient merely to trace it to its dependence upon some unchangeable necessity, or even to some phase of one of the limited mental or social necessities; one has to examine all the surroundings of the case.

In one sense the question in such cases is,— the active cause? Thus: the qualities of coal, gold, silver, iron, minerals in general, and so on represent physical necessity; without iron there would be no iron-mining; question,— what is the cause of the iron industry? Similarly, without fish, no fisheries; without cereals, no agriculture, no agricultural classes, no agrarian parties, no agrarian politics. But though in human society there can be no agrarian question, unless tillable land and vital fertility exist, the form of the social agra-

rian question rests upon the relatively changeable elements of the problem; the natural elements are static, the human social elements are dynamic.

Similarly, the maintenance of the human race rests upon physiological necessities, the momentary conjunction of male and female, and the long development following. The social institution of marriage rests upon this fact. The form of the institution as a "necessity" is not explained by finding in the institution a dependence upon the physiological necessity. The organic necessity is taken as a fixed datum. It expresses itself in human psychology in the sexual impulse and the attendant feelings. The almost mechanically acting biological instinct in the lower animal world becomes conscious in man. Physiology generates psychology. Out of the physiological and psychological states and activities arise the marriage institutions which are to regulate the sexual commerce implied in the physiological necessity. The form of the social institution is explained by the active changeable factors utilizing the fixed datum. Hence in a polygamous country women themselves are apt to think monogamy contemptible; divorce for infidelity is the counter in monogamous societies. The physiological necessity has not changed; its impact however is modified by the social psychology evolved.

Private property involves an unescapable natural requirement. Man must have food, clothing, shelter. Nature drives him to it just as it drives the animal world. The animal too responds to changes in nature by physiological action as in thicker fur for winter, while in man this response rests mostly on flexible mentality. Out of this necessity of consumable goods to support and heighten life grow the ideas of property. These ideas become real in external goods, means of production, of transportation and storage,—in a new nature, as it were. Each new-comer into this society must in the main conform or perish. The derivative laws and institutions change continually. The fundamental necessity of food and clothing has not changed. The form of the institutions and industries exploiting the physiological need and the forces

of nature which satisfy that need depends upon the changeable psychology of man.

Evidently these considerations apply to interest as a "necessity." What are the "necessities invoked in interest-getting?" Productivity theories seek to refer interest to the physical causation involved in a labor-machine combination. Seasonal variations of fish, grain, water, and other supplies were taken as granted. This theory was found to be unacceptable. Undoubtedly it traces interest to "fixed necessities," but these do not explain the social division of the product; they are not the active elements. Other "necessities" have been invoked in other explanations. At last comes the Austrian-Yale school to call in "the great variable," time, as containing the causal element in interest. It says: Time penetrates all changes; age is not to be escaped; hence value in the present must differ from value in the future; this, for every individual; interest simply measures and is the product of this difference in valuations.

Time as a Cause

Now about time itself as a philosophic mystery, persons have split hairs for ages, but no one thinks that time of itself alone does anything. We say time destroys, time changes all things, and so on, but we only mean that things perish in time, or that all things change after a while. We look for positive, active, concrete, causes and relations as the determinants of changes in time. Interest, neither as merely discounting the future nor as something real, makes its appearance simply because of the lapsing of time. Time writes no wrinkles on any brow; care, trouble, struggles with adverse circumstances scar the body and the soul. The psychological attitude towards the future is the registered effect of concrete experiences; remembered pains and pleasures, and all the vicissitudes of life; then by an effort of the imagination, the falling away of the present into the past is reversed, so that we seem to run up into expected and desired experiences, which are however similar in elements to the past. We can not conceive that time of itself does anything at all. We

look for other causes; the hammering of outer influences upon us, our powers hammering back, an intricate action and reaction continually marking and scarring us. We "age," because outer and inner forces actually affect us; these determine our attitude towards the lapsing of time.

Though time itself is not, so far as we can see, the active cause of anything, still time does enter into interest. Time, as the resultant or concomitant of the concrete causes of our aging and of interest-getting, may be used as a *formal* determinant of interest. The idea of time lends itself to uniformity of treatment. Its very abstractness admits of such distribution and measurement as to permit an impersonal mathematical discussion of interest, such as Fisher gives; time therefore easily gets the aspect of being the real determinant. The genuine fact however is that the interest-getting occurs at discrete intervals; its continuity of generation is largely an abstraction, comfortable for the getters. The forces determining the getting of the interest determine also its distribution along the course of time. It is true that this or that *individual* entering into interest contracts is immediately confronted with the time element as determining his interest payments both as to rates and amounts. To him time seems the determinant, but he is no less under an illusion here than he is under an illusion in the localization of his sensations in space.

Psychological Cause of Interest

Since we must pass from the mere lapsing of time to concrete causes, it follows that, if we are to get at the active cause of interest, we must in this theory also regard the mobile elements rather than the fixed ones. Plainly enough the Austrian theory carries us over into the realm of psychological necessities. The theory in effect says: The necessity contained in Time by being registered in each mind determines interest as a "necessity;" "time-preference" is the word. The explanation here enters the field of the subjective; it really invites us to accept mental and social regularities, specifically here time and its influence on the mind, as being

in quite the same class as the certainties of exterior nature. Hence its kinship with the commonplaces of the oneness and unchangeability of human nature, of the stable foundations of society and the like.

It is difficult to present the general theory, of which the Austrian theory is a special case, in terms which do not betray too flatly its weakness. If one can remove from his mind all idea of evolution, and can think as in former ages in strictly static terms, one can perhaps speak of distinct and fixed grades of culture, each having its own presuppositions or necessities. One can say that the necessities of a lower culture must give way to those of a higher culture. Milk is for babes, meat for strong men. What is quite unintelligible to even the moderately versed thinker often becomes self-evident to the properly trained mind. Relations unimportant in a rude society become "natural necessities" in a higher civilization. However plausibly this static conception may be put — and it occurs again and again — it has two fundamental weaknesses. (a) The diversity of the actual facts of present and historical society and psychology is so great that the simple outline can not compass the details. The theory suited better the times when knowledge had not reached beyond medieval narrowness. (b) It can not account for the social movements actually known to be taking place about us. Institutions are changing all the time. Hence the static hypothesis must yield.

In place of the old theory, next comes concessions to the evolutionary doctrine. Development is admitted, with a consequent graduation of "necessities." A progressive development even in religion and in ethics is sometimes allowed. This however can hardly satisfy those defenders of the ethical purity of interest, who are sure that they have reached finalities of explanation. It needs but an additional step in progressive evolution to overthrow those "necessities" they now see in force. The value of the reply of those who speak with assurance of the unchangeable character of human nature is largely destroyed. For it is difficult to go a step with

evolution and then to escape going twain. Unless one can block the course of evolution, "finalities" in physical and social development becomes schematic, reality escapes through the meshes of the net. Further it is possible that these necessitarians in the matter of interest may mean only this — granted the continuance of private property, then interest is a necessary consequence. If this be all that is meant, one may reply "No Daniel is needed here;" exactly this is the contention of interest critics and hence their further criticism of private property under its present limitations.

It is well to be clear as to the meaning of the word interest. Economists use it in many senses (vd. p. 101); interest as product of machine power, interest as a discounting of the future, and the common loan interest which we all know of. The first two arose only because of the existence of the last and as a defense of it; they are thought to be the "pure science" aspects of the vulgar phenomenon. When interest-taking in present society is condemned, some economists reply:—"Interest is inevitable, that is, machine power will always affect the product got out, or the future will always differ from the present; no economy is conceivable, of which these truths do not hold; hence, and so on." Certainly true; and just as appropriate as the following:—"Shall we clear up these pest-breeding hovels of the poor? — My dear sir, we shall always have the poor with us, and in dwellings, we can not cancel the law of gravitation or those of chemistry, life, and mind." When "pure science" is applied to concrete relations, there is always some human purpose to be subserved, which qualifies the mode of the application and the use to be made of the results; this, the more so, the less abstract the "pure science" is. The social meaning of the productivity of a machine changes greatly according as the society is dominated by a small class of possessors, or by the mass looking to the welfare of the vast majority.

Returning to the special case of the Austrian theory; the mental necessity of the mind's attitude to the flow of time may be regarded from the merely individual, or from the

social view-point. It is said:—The solitary Crusoe must discount the future, must allow for the cyclic operations of nature, must weigh work for present supplies against work for future supplies; every man must develop time-preferences; hence, interest phenomena are inevitable in any society whatever. All this is as certainly true as it is true that Crusoe must conform with the law of gravitation so far as he rears a permanent habitation on his lonely island. Interest of this sort, applied even in a society of purely self-dependent abstract individuals, seems utterly unobjectional. Crusoe could not exploit himself; no member of a society of strictly self-dependent individuals can exploit himself; this conclusion is contained in the supposition. The supposition contains two confusions; (a) the word, "interest," is appropriated to cover superficially similar things; (b) an institution involving things in a necessary relation is sufficiently explained as to its form by a reference to that necessity. As well say: Man must eat; therefore warehousing and our present laws of warehousing are a necessity; man must have clothing and implements, therefore department stores are indispensable.

Now the interest of present-day criticism is a social product. However much each man and his preferences are scored by time, interest in our exchange economy is a something produced by one set of persons and gathered in by another set of persons. Unless this social relation exist, and unless the reaping and also the retention of the fruits be enforced and guaranteed by social regulations, interest does not exist. No individual can produce and reap interest from himself for himself. The essence of the relation expressed in the word, interest, is absent from the case of a man securing and enjoying or using the results of his own labors. Prof. Fisher classes wages, interest, profit, and rent,—all as "incomes." This is entirely proper for the purpose of his schematic treatment. But outside of his mathematical limits, namely, in the actual economic world, these "incomes" are vastly different in their social origin and bearings. To treat these "incomes" which for his mathematics are wholly of the same

class as if they were wholly of the same class for social purposes, is to blear the ethical and kindred aspects of different phenomena. As the individual can not coin interest from himself, so without society's aid he can not coin interest from others.

Thus, then, we see that these "necessities" appealed to are of different characters but that they play into one another's hands, as it were, by human institutions. The formation of institutions presupposes objective constancies and human psychology. Each of these two is requisite and each reacts upon the other. The unchangeable cycles of nature, such as the rotation of the earth, the tidal flow, currents in ocean and air, variations in seasons, these as well as the kind, the quality, and the quantity of the output of nature determine characteristics of human psychology. And when man has invented a tool, a simple instrument, or a complicated machine, he is in a sense reacting upon nature. He can thus through nature modify or even control the mode of the impact of the larger forces upon himself and society. Thus in general the capacity and the fact that man is a tool-maker gave or tended to give him sovereignity over all the animal kingdom. Warehousing and reservoir systems enable him to extract from seasonal variation large advantages otherwise lost. If the variation in seasonal supplies forces in man a psychological growth, not less does this growth react upon nature, creating, as it were, by tool, instruments, and complex machinery a new external environment, which in turn is to act upon and mold the on-coming race of men. In all this complicated drama of human evolution, one sees the steady interaction of nature's constants and human social psychology. Nature molds man; man increases in knowledge, and by using nature's forces in new tools and a corresponding social organization, he creates a new nature. The new generation must climb to the new height; it must develop a new psychology. Nature with its "necessities" is a fixed datum; human psychology in social relations of limited necessity furnishes the mobile causal element. From this

point of view, man's present individual and social psychology is in the mass a product of existing institutions.

BOEHM-BAWERK'S "REASONS" LARGELY A PRODUCT OF EXISTING INSTITUTIONS

From this point of view let us then consider the various causes, which constitute the foundation of Boehm-Bawerk's psychological theory. The kernel of his theory is the underestimate of the future. The kernel of our present question is the causes of this underestimate, or more particularly, the reaction of the existing institution of private property and its relations upon persons under it. The important thing then is not the "pure" psychology of time-preferences, but present provisions against the future.

Now however much the future may differ from the present and however much man's mental and volitional weakness are naturally in evidence, it is clear that our institutional arrangements necessarily produce in each new generation an intensification of the phenomenon of the underestimate of the future. Boehm-Bawerk states again and again the fact, patent of course to all, that the vast majority of persons under our economy must of social necessity prefer present goods to any offer of future goods. Physiological necessity grips them. There are the huge multitudes of wage-earners possessing absolutely no productive instruments whatsoever, having only their power of muscle and brain. Besides these factory workers and manual laborers of all sorts in material productive spheres, are the armies of soldiers, sailors, trainmen, and carriers in general, merchants' aids, teachers, preachers, artists, actors, professional sporting men, servants of every class and description. Besides these again are the multitudes of petty proprietors, petty industrialists, peasant-farmers, who do possess a fractional part of the sources of production, but in so limited a quantity that their position is in many respects worse than that of the average wage-earner. The lower down the scale one goes, even to a certain rather narrow limit above naked existence, the more numerous are

the members of these classes. Naturally the overwhelming majority, whose demand for subsistence is either for a bare supply or for one in conformity with a more or less varying and not very high standard of life, are not in a situation to esteem future goods at all in comparison with present necessities. For example: In the United States in 1904 the average weekly wage of factory workers was $10.06 per week. The five highest paid classes of these workers, diamond cutters to watchmakers, could comprise only a small fraction of the total; these got from $21.68 to $16.16 per week. Of the total, 69.3% received less than $15.00 per week, 56% less than $12.00 per week, 45% less than $10.00 per week.

In 1908, 6/7 of the railroad employees in the United States received from $1.45 to $2.39 a day; of the round million and a half, less than 14,000, the higher and other general officers, received an average of $9.49 per day. 'For the two years, 1908-1910, something over 11% of the population of the United States was on the edge of starvation owing to unemployment' (Kelly). An English Government Board of Trade report 1911, comparing American data of 1909 onward with British data of 1905, allowance made for difference in time, says that wages in the United States are 130% higher than in England, while food and rent are only about 52% higher. (N. Y. Times, Apr. 23, 1911.) If this condition should at the same time mean fairly equal productivity, one can judge what the condition of England's workers must be. 'In Prussia in 1908, seven million out of the eleven million families received less than $337.50 annually, eighteen millions of people out of thirty-eight millions received less than $225.00 per year. Five per cent. of the population were "well-to-do," that is, had yearly incomes of $2,500 and over. Ninety-five per cent were either "poor" or below the "poor" line' (Taussig). It would be easy to cite governmental statistics to the same purport concerning petty industrialists, peasants, and so on. But perhaps it will be quite sufficient for the present purposes to quote a few passages from a marginal utilityist of the Austrian school, Prof. Fetter of Cornell. "93% of the

families of the United Kingdom own less than 8% of the total wealth of Great Britain; 87% of American families own less than 12% of the wealth of the United States." These figures ought to be astounding. "In Asiatic countries the standard is so low as to touch in large classes the minimum of subsistence."

If then matters be thus in the United States, Great Britain, and Prussia, one can see how the scale runs down through continental countries even to the bare subsistence of the masses of Asiatics. How else can there be for the vast majority anything but underestimate of the future? The pressure is everywhere, subsistence almost from hand to mouth. But our institutions of private property and laws of inheritance turn this condition into a practically hereditary status of the masses, with a practically hereditary psychology in conformity therewith. Over against these, are kings, lords, millionaires, and the thousands or even some millions of interest-getting well-to-do persons. Or again to quote Fetter "In Great Britain, 2% of the families own 75% of the wealth. In the United States, 1% of the families own more than the 99%." Prof. Fisher says of the poor man:—"a very slight increase in his present income will suffice to enormously lessen that preference" [of the present over the future]. "The preference for present over future goods of like kind and number, is not as some writers seem to assume a necessary attribute of human nature, but depends always on the relative provisioning of the present and the future." "The poorer a man grows, the more keen his appreciation of present good is likely to become." He further tells us that the high rate of interest among negro and Russian peasants is due to their poverty, and to their poverty in turn is largely due their characteristics. "The pressure of poverty tends to enhance still further the demands of the present and to press its victim down from bad to worse;" hence, 'aristocracies and a dependent peasantry.' "The characteristics of foresight, self-control, and regard for posterity seem to be partly natural and partly acquired within the lifetime of the individual,"

"Recent experience has demonstrated the fact that these 'happy-go-lucky' characteristics of the American negro, can be largely reversed by training, if in fact they are not entirely due to lack of training under the condition of slavery." "It would be a serious mistake to assume that these characteristics of man as to foresight, self-control, and regard for his own and others future are fixed racial and natural qualities." Fisher tells us in effect, 'the remoter the risk the higher the valuation of the future: the nearer the risk, the higher the valuation of the present;' the high rates of interest on poorly secured loans, on business ventures in war times, the willingness of persons in such times to pay for the safe keeping of their property, that is, negative interest, such facts point to the psychological kernel that uncertainty, insecurity as regards the material conditions of life-maintenance, is what determines the mental attitude towards the future.

Evidently the farther one goes from the realm of the poor into that of the well-to-do, the more closely does future value approximate present value. Millionaires constitute a class to whose members the future is in general more valuable than the present; because (a) for them it contains real possibilities of increasing their already bountiful stores, and (b) able more or less from a present abundance to surfeit the ordinary necessities, they can not possibly find a rational consumption of their present supplies. Boehm-Bawerk and Fisher acknowledge again and again that to the well-to-do a future $100.00 is in general just as valuable as a present $100.00. The mere psychology however "pure" is therefore not at all the essential point. The important social point is the relative provisioning for the future. Nor within the psychological field as such is the really significant point the purely mental underestimate of the future; it is rather the feeling of certainty and power, or of uncertainty and weakness, as to future supplies. In other words the mental attitude towards the future is determined by objective facts and relations.

In general then it is the presence or the absence of security regarding the future, which is the vital psychological position here. Though one grant natural or even instinctive differences in time-preferences, our institutions magnify and tend to intensify the differences in valuations of present and future. For one point, our economy tends to throw upon each individual the whole responsibility for his economic welfare. But our economic and legal structures of private ownership of the soil and of the instruments of production strangle the majority at the outset. The masses are naturally and economically the weaker members of society; they have no access to the indispensable sources of production. In Europe, in America, in all advanced nations, the overwhelming majority are tied down to mere present wants. And how tied? Institutionally, by the laws and police of property. Without exaggeration or any passion at all of justice or injustice, the overwhelming majority must work for wages or else starve. There is for them no escape from this relation. Are then their wages such as to give to them that sense of security against the future which shall enable them to place the future on a par with the present? Absurd; judge this from the wage scale indicated above. With such scanty present supplies, what is their hope for a large provision? Fisher may answer for us: "Accumulation is a slow process, and especially slow when the great number of the poor have by competition reduced the value of their services so low that the initial saving becomes almost impossible."

Not only is this so, but as a further consequence of the facts indicated, we see the institutions strengthening this very weakness of the mass, "The curse of the poor is their poverty." Constrained by exterior forces, a poor man can not on the average acquire a sufficiency to enable him to foresee the future. A round of more or less exhausting monotonous labor; a house barren of comforts; social relations stimulative of nothing but present needs. Besides the scantiness of his wages, his present needs determine his psychology and

weaken him still more. He feels only the narrow present, and that present permits but the vaguest possible outlook for the future. Naturally, necessarily his inborn weakness is, as it were, strengthened. Now this mental scale runs from the bright indefinite hopes of youthful ignorance to the stern hardened experience of the millions whose dim aspirations early and swiftly die. It is inevitable that the masses regard the future more or less as a thing of nought. Necessarily their psychology reflects the facts of their lives. If they think at all, they readily come to accept the idea of a mysterious dispensation, which allots to the favored few the goods of life, and to the many the right and duty to fill their superiors with the fruits, while they themselves are to be content with the husks which they share with the swine.

In this matter their psychology is molded just as servitude molds the mentality of the slave. The slave in the South taunted his free brothers that they had no white people to care for them. Kindliness to the slave as an animal, splendid indifference to him as a human being, an ability to abuse royally at times, these were for the slave a test of true gentility. The European serfs when freed bemoaned the fact that there was now no one to care for them in sickness, or to help them in times of peril or famine. Similarly dependents to-day accept dependence as a divine decree. If slavery can and could so stamp itself institutionally upon the mind of the slave, it is less likely that our institutions of private property, of inheritances and wills, which shut out the overwhelming majority from the productive sources of life, can have any other effect psychologically than to force this same enormous majority to underestimate the future? Certainly there is a difference between the present and the future, but the bearing of that difference economically is as little extra-institutional as the psychology of a slave is free from the institutions of slavery. One needs only to imagine, perhaps to recall, the difference in mental attitude in himself and what his actions would be, or in fact were, if or when he came into the possession of a goodly sum of money, from what it was

when not having that sum, to perceive instantly that security for the immediate future caused a wonderful change in his psychology. From this he can conclude that any institutional change which should permanently dissipate his fears as to the future would make all the difference in the world in his subjective valuations.

The like conclusions follow, when one considers Boehm-Bawerk's "technical superiority of present goods" and the waiting involved in modern roundabout processes of production. There is grim humor and irony indeed in the proposition often enough made, that since the more fruitful productive methods tend to longer and more roundabout processes, and since the poor will not wait for the superior results, they must pay the penalty in the losses they sustain. As if their ability to wait rests solely on their own wills! As if not merely their present unwillingness but also their native relative mental weakness in numberless cases were not a product in large part of the external forces surrounding them! How long could one "wait" who received $10.06 per week? How much of the training necessary for the cultivation of "the reason that looks before and after" can be had from an incomes of less than $225.00 per year? The long roundabout process of developing rational self-control of mind and body is a prerequisite of mental and spiritual education. How much of this can be had by the 69.3% of the population of the United States, who receive less than $15.00 per week? This roundaboutness of modern processes means simply that the tools and instruments of production become more and more complex, more and more costly; not merely this but also that the instruments themselves can no longer be used or handled by one man. The vast majority shut out by property laws can as little expect to participate directly in the ownership or control of such machines and processes as to cultivate landed estates in the moon. The cost price of even a moderately sized business enterprize increases from year to year; on the average it requires not less than $10,000 to make the attempt. One can easily see how much the technical su-

periority of present goods is likely to be available by the large numbers of the population of any modern state.

The technical superiority of present goods, especially the giant tools and machines of to-day all guarded by property laws, works distinctly enough in fashioning present psychology. Possession so guarded forces the poor to further dependence; the more complex the society, the more hopeless their individual situation. On the other hand, the guaranteed ownership of these present productive goods constitutes the opportunity of the rich and even of the well-to-do. These relations make the existence of the enterprizer possible. An army waiting for and dependent upon employment, the eager-eyed seeker for an increase of spoils of industry to be reaped, — the psychological product is evident. In our exchange society where each is for himself alone, where every man is thrown on exchange relations for even the primary necessities of life, where the weak are pitted against the strong. it is inevitable that these relations of dependence and superiority should stamp themselves ineffacably upon the minds of those subject to these conditions, that their psychology should mirror the facts: — in the poor, economic weakness, present goods for present necessities, even at the risk of exploitation, this or death; in the rich, present goods with all their technical superiorities for the sake of a greater abundance of like goods in the future.

Not merely do we see the ever-present molding of the psychology of working adults into conformity with our institutional arrangements, we can see the psychology is formation in each rising generation. The children of the rich and those of the poor are born alike ignorant of all and any institutions, ignorant alike of present and future valuations. As they grow up, they everywhere come in contact with present active forces, the poor to feel the pressure of want and poverty, the middle class to hover more or less above need, the rich to know no care as to subsistence either for present or for future. The rich child secure against the future does not fear it. He easily learns both providence

and prodigality. He quickly becomes aware of his social superiority, and with a modicum of intelligence, he also learns from his surroundings the usefulness of future income. With all the prodigalities he may fall into, he still as a rule looks with a bolder eye at future outcomes. The child of the poor is witness of present anxieties. He early learns to known wants, the pressure of present necessities. His glance into the future is but dim indeed. He early enters the struggle for existence. His school education comes to a speedy close. He is soon tied to the wheels of the mill, or of the factory, or to the dark passage of the mine. His opportunity for mental expansion is cut off. He is compelled to ignorance and all its consequences. As a result, "only those of exceptional gifts rise easily above it (their family grade), and only those of exceptional defects fall below it" (Taussig). Hence the psychological differences arising from economic inequality recur from generation to generation almost as if they were strictly hereditary.

Wholly of the same cloth as the above is Fisher's addition of habit and love of offspring as determining time valuations and therefore interest phenomena. Our institutions of private property, with the masses cut off from the productive sources, accentuate the underestimate of the future, make more powerful the provisions of the few for the future, make the well-to-do able to exploit present chances and to plan for the future increases, while at the same time the want and the dependence of the masses weaken their foresight and lessen their opportunity to learn a certain kind of self-control. All these practices become habits of thought, feeling, and action. Of necessity these habits tend to perpetuate the existing inequalities.

The like is true of love and care for the welfare of offspring. Again the curse of the poor is their poverty. Their scanty means and resources and their narrow outlook leave them but few springs of joy. Sex is among the few. The result is an overplus of children. In that case the struggle for existence becomes more intense. The outlook becomes

more narrow and hopeless. Soon arises the idea of constraining the children to add to the family income; indeed, often enough, children are desired largely and are used as present and future money supports. As soon as possible, boys, girls, and often the wife also, are swept into mill, mine, factory, and department stores. And often in large cities these girl assistants receive pay too scanty for mere subsistence, so that those dependent on themelves alone are forced by thouands into the ranks of the prostitutes. The new generation repeats this round. On the other hand the children of the well-to-do receive all possible aids to education. When at last their turn comes, places are found for them, their way to power is smoothed. They learn to look for and to make use of chances; for theirs are the means to grasp the opportunities. No doubt many of them are early ruined or fall by the wayside. No doubt many from the very lowest depths fight their way to the highest places, but these are after all only exceptional. Now our institutions of complete personal economic responsibility, of private property in the productive sources of the necessities, practically turn this division of the propertyless from the propertied class into an hereditary status. A psychology corresponding thereto is a necessary outgrowth, and by reaction, a necessary support of the institutions. Just as a life-long existence in caste societies breeds insurmountable feelings and beliefs both in the brahman and in the sudra; as in slave societies slave psychology is born; as the lord by birth tramples upon the peasant, and the peasant accepts the trampling as not unjust; so with us there are millions and millions to whom the present social relations are the only right and proper thing. And relatively right and proper too they are. This fact however should not lead to the position that the socially born and guaranteed relations of the present day are final, inevitable, and unchangeable. At all events, it should be clear enough that the average appeal to the merely present-day psychology as the ultimate basis of the existing system is from a broad point of view

wholly of the nature of a circle, is a begging of the question, — particularly when the problem is the amelioration of present evils, even though this should mean the substitution of a new system for the old. In this sense the Austrian-Yale interest theory must be said to be largely a mere circle.

HISTORY OF LOAN INTEREST

Interest as a significant social fact is far from being a "natural necessity" in the sense that it is independent of social organization. On the contrary it is wholly modern, a thing of recent growth. Man has traversed this earth some 500,000 years and more. Interest as a pervasive phenomenon of society is but a few hundred years old. Interest is not known among the hunting and fishing tribes, nor in the pastoral stage of human evolution, nor yet again in the patriarchal family. Still less was it known in the matriarchal and gentile organizations of former milleniums. In the gentile organizations the clan or the gens was rather on a communal basis. As in hundreds of tribes existing to-day, no member could refuse a fellow tribesman food and shelter. None could hold wealth or a supply greater than his own immediate need over against the necessities of his clansman or friend. Only strangers were enemies. The vast household economies of antiquity were organized as self-supporting communities. Each member contributed to the common product and each drew his supplies from the same product. Interest, the return from capital as such, was unknown. Similarly, according to Dr. Carl Bucher and Prof. Taussig, interest was unknown as a significant social phenomenon during the stages of medieval craftsmanship, the period of town economy. There production was organized more or less for direct customers, tools were simple, and solidarity was stronger. Values were established more from the labor entering into the product. Care was taken to secure a livelihood for the craftsman and reliable goods for the customer.

No doubt at all that in many places these last six thousand years loan interest has thrived now and then, as in

ancient Babylonia, Egypt, Phoenicia, Greece, and Rome. As the mass of production was either communal or in connection with huge state and household arrangements, loan interest was connected mainly with trading and commerce; loans were also made for consumption purposes, those of spendthrifts and of the necessitous poor. Wherever trade and commerce gained sway, as in Babylonia, Egypt, Phoenicia, Athens, Rome, the city-states of medieval Italy as Genoa, Venice, and in the German cities on the Baltic sea, loan interest appeared and flourished in spite of powerful opposing forces. Further, when through the advent of new inventions and discoveries society gradually changed so as to throw economic responsibility upon the individual, lending for production purposes grew more and more, so that now with us the overwhelming majority of all loans are contracted in order to exploit productive possibilities.

During all these ages, the present differed from the future, nature ran its course in cycles, man thought, believed, felt emotions, and willed, and yet interest-getting was for eons and eons socially non-existent or non-significant. It thus becomes evident both from psychological analysis and from historical facts that the Austrian founding of interest on present-day psychology is an illusion. If Prof. Fisher's splendidly complete schematization of present-day interest-economics be intended as an ultimate explanation resting upon the psychology of the present, it fails to take full account of the origin and basis of that psychology. Grant the individualistic psychology as final, then Boehm-Bawerk's pioneering in his two books and Fisher's "Rate of Interest" may be taken as the relatively final words on interest. Touch the individualistic psychology with the wand of social psychology and the structure in all its nicety is seen to be a house of cards.

ETHICAL STATUS OF INTEREST

The bearing of all this upon the ethics of interest is quite manifest. Always interest-taking has been opposed by

powerful elements of society. By natural contrast, wherever traces of gentile organizations remained, interest from a clan member would be opposed as undermining clan solidarity and strength; this is seen in the Mosaic prohibition, and in the history of Athens. This feeling of solidarity, widened into general human sympathy, would condemn taking interest from the necessitous poor. Economic waste condemns the spendthrift. Ancient commerce, steeped in piracy, freebooting, and general deception, would for this association be under the ban. The motive of unscrupulous gain is apparent in all these cases; hence theologians repeated with Aristotle that "money is of a barren breed," and used Biblical texts to support the prohibition of interest contained in the canon law. Naturally where trade possibilities arose, men circumvented the law by all sorts of devices, legal and extralegal. Commerce and industrialism having gradually got the upper hand, even the church, which for centuries had proclaimed the Deity's displeasure at interest-taking, found it desirable in 1830 to revise its knowledge of divine decrees; interest-taking was approved. To-day the bottom defense of interest is economic,— the furtherance of production; the bottom attack rests on economics,— a wider view of economic and social consequences. Evidently, ethical sentiments concerning interest have shifted with the shiftings of economic power; there is nothing "final" about the ethical purity of interest.

"CAUSE" OF INTEREST

Productive Process

One might with fair safety rest the case against the Austrian theory on the foregoing considerations. The foundation having been seen to be so unstable, it would seem proper to allow its owners to do the work of making the whole structure more firm. But since the words "specific cause" admit so many varieties of application, it will perhaps be better to look a little closer at the driving motives and powers behind the phenomenon. The "cause" of interest may be regarded

both from subjective and objective grounds, and a question may arise whether these two view-points will yield harmonious results.

Interest on capital as such rests according to Boehm-Bawerk upon differences between subjective valuations of present and future goods. At 5% a year, $100.00 in present goods is worth $105.00 in future goods at the end of one year, $110.00, at the end of two years, and so on at simple interest. Why simple interest and not compound interest would introduce a pretty question of the determining power of objective social relations. Conversely $110.00 due in two years is worth only $100.00 at the present moment, rate the same. Invest $100.00 in present goods. Time rolls on. In exactly one year look in on the supply of goods, $100.00: behold, five additional golden chicklets are there. How lovely, how charming, how eminently satisfying is their golden splendor! Would that they had been a million, and the chicklets were 50,000 in number! Time rolls on. Of course, — but how does this miracle of generation take place? Boehm-Bawerk does not take the trouble to give all the details of this prodigious naturalistic birth. He is so busy in working out present versus future values,— all be it noticed, upon the facts of present interest relations,— and thus finding himself constantly beatified with such striking agreements and consonancies, that he has no room in the 852 pages of his two books to show in detail in the outer combination of forces how the miraculous birth takes place. At such a birth old Aristotle would have summoned solemn or laughing augurs, the whole tribe of diviners and interpreters of presageful omens, for surely the prodigy would indicate that the gods must be strangely incensed.

Of course for the creation of the actual five a productive process must enter somewhere. Boehm-Bawerk indicates this fact clearly enough. If, for example, the $100.00 be left in a strong box buried in the back garden, then at the end of the year the $100.00 will still be there, (gold is tough, long-during metal), but the chicklets, lovely, of shining yellow,

will not be added. But place the $100.00 in a proper business undertaking, and surely one will find the increase of five (standard rate so assumed). Now it might seem desirable to know the details of this creative production. It might contain significant elements. The truth of course is that Boehm-Bawerk knows that there must be a productive process, but this aspect of the matter does not fit his purposes. He will have this process as an acknowledged presupposition. On the basis of the relationship thereby admitted, he will attempt to find outside of it the so-called specific cause of pure interest, whereas the really driving force behind the phenomenon may lie in just that relation which he takes for granted. Having begged the efficient cause, he may well dally with formal cause.

The general statement is that the value of an amount of present goods increases as the future "ripens" into the present. Now a completely finished article certainly does not undergo this increase in value; on the contrary it loses value as time passes. An unfinished good may increase in value, but then only through a productive process. But this productive process does not, time-like, roll on of itself. A productive process means labor of brains, of hand, of machinery; these do not come for nothing, they mean increased costs. Accordingly it is in general not strange that the transformed material should thus become more valuable than the old, that in the long run all these costs must come back in the future value of the new product, if our economy is to sustain itself. Certainly if there is any real interest born, it must be born in this process of production. Never yet has man found out how to manufacture say one hundred locomotives, each piece of which passes through human hands, and then in the roundhouse storage-place find some fine morning one hundred and five splendid machines.

Interest Rate and Profit Rate

Not only is interest created in this production process, but profits also. Everybody admits that the interest actually had with us is as a rule first imbedded in the enterprizer's gross

gain. Boehm-Bawerk would not have us confuse net interest and profit. He tells us that interest expresses the difference in value between present goods and future goods of like kind and quantity. Now the profit-maker stakes his whole enterprize upon this difference between present and future values. How then is Boehm-Bawerk to distinguish time's contribution to profits from its contribution to interest? If difference of values in time be the ground of the enterprizer's capitalistic venture, it would seem that more than time-preference is involved in interest as its specific cause; something significant seems to have been overlooked.

Individual time-preferences vary greatly. Out of the conflict of these single preferences emerges the general interest rate. Individual profit-hopes vary greatly. Out of the conflict of these individual profit-hopes emerges the tendency of profits to come to an average normal rate. The older economists wrote volumes on the general profit rate; the moderns rather scorn it. They are surer of the general interest rate, even though the general schemes of the two arguments are of the same breed. At all events out of this difference between present and future values, we might appear to have two normal rates, one of profits and one of interest. The older economists did not discover the causal power of time,— this was reserved for our moderns. In spite of this the moderns appear to use the same language as the classic school. These latter said that through competition profits tend to be equalized to enterprizers. This means that the rate of profit tends generally to equality. The moderns say that by competition of mere capitalist-lenders, interest, that is, the rate of interest, tends to equality for each. In neither case is either rate really equalized. The tendency is there. The profit rate is apt to be referred to the results of a single venture or to a single time unit. It may vary from year to year. The interest rate is with us apt to be relatively steady over a succession of years. But the same causes which normalize the interest rate over years will likewise normalize the yearly profit rate of any continuous business. It might seem

therefore that Boehm-Bawerk has not specifically distinguished the cause of interest from that of profits. The persistent intrusion of concrete facts and causes has destroyed for modern economists any real serviceability of the old schematic general profit rate for the purpose of explanation. Similarly concrete facts and causes dissolve the schematic treatment of time discount as the cause of real interest, and dissipate the conflict of individual time-preferences as the effective determinant of the general interest rate.

Pure Time-Preferences

But we have not yet reached the center of this Austrian-Yale interest theory. The quarry is elusive; the meshes of the net used seem too coarse. Now, the profits of the enterprizer and the net interest of the capitalist, both lie in the womb of time, or as Boehm-Bawerk sees it, they "ripen" into a golden fruitage. Although in profits, coarser motives and varied ingredients mingle with the time elements, time-preferences as such would seem to be the cause of net interest. In effect Prof. Fisher tells us that there is a "pure" time-preference and an "impure" time-preference. The difference in value between "certain" present goods over "certain" future goods expresses a "pure" time preference. No doubts arising from risks of any kind, the difference in valuations rests solely upon the psychology of time-preferences. The rate of preference for present "certain" income compared with an "uncertain" future income is an "impure" rate or time-preference. The uncertainty respecting future results, or the outcome of productive or other ventures, in short the gambling element, admits all sorts of additional factors, which may quite disguise or wholly override pure psychological appreciation of time-differences. However this may be, it is the pure appreciation of time-differences which would seem to be the Austrian-Yale specific cause of net interest.

We have already seen that there is a difference in time-appreciations and time-preferences. Or perhaps better said, among the motives determining present action, concepts re-

garding the future outcome play a diminishing role, the more remote in time the full outcome of the action is to be. Action is always in the present and is determined by present motives. Motives taking into consideration future results furnish to the majority only weak and fugitive impulses. Children, savages, the heedless, the masses of mankind, whatever the cause may be, illustrate this fact. The causes may be weakness of intellect, weakness of will, physical weakness, or physical strength, economic weakness,— the relative powerlessness of ideas of the future to control our acts seem an unquestionable fact.

To illustrate more concretely: Mr. X has, let us say, a fixed and certain income. This certain income may accrue to him in irregular or in unequal instalments. For reasons of his own he may desire so to change the shape of this certain income that it accrue to him in equal regular instalments, or in general, he may wish to change its form. For the sake of equality in instalments he may be willing to pay for a sum in his scarce times a still larger sum out of his abundant times, or he may refrain from consumption in his full periods in order to make gains from lending so as to fill out his lean periods. The amount he is willing to pay for this equalization, expressed in percentages, represents his personal time-preference or interest rate. This personal rate of his however meets with the personal rates of others. Compromises or adjustments of personal rates are necessitated. Out of this conflict arises the general rate of pure interest.

Expressing this idea more generally in terms of our present economic system one may say,— in our present money-credit-exchange-economy, loans, incomes, personal services, and so on, are all capitalized more or less freely under percentage ideas, and in a similar way incomes whether of goods or of services are distributed along time. Consonant with the property ideas and other accepted economic concepts implied in the above is a more or less coherent psychology, in which time-preferences differing from man to man tend by

competition to a single rate. This general time-preference, abstractly severed from the fear of uncertainty as such, from the search for profits, from the struggle for wages, from the demand for rents, is the source of the distinction which Boehm-Bawerk draws between his theory of interest and all former explanations. Though he may seem to have the profit rate and the interest rate in confusion, the charge is thus repelled. Likewise the increase in value from the process of production, he may claim, can not affect his solution. For, whatever allowances be made for increase in value by the caring for costs of labor, superintendence, sinking funds, insurance, and so on, there still remains the fact of time-preference, which permeates all of these elements and yet is not any one of them. Net interest is its result.

Now it must be admitted that this account though delicately subtle is still very forceful. It combines with its formal element, time, such strong suggestions of a driving power by referring to time-preference, that one readily enough yields to it, as one tends to accept any authoritative statements. It voices so adequately the commercial business attitude of our own day that we are apt to see it as something expressing the nature of things. Fitting so perfectly to certain aspects of our social psychology, it seduces us away from the question, how far it expresses a mere aspect, an aspect which is mainly a product of existing social relations, and which therefore might easily undergo change.

Now the fault of this theory lies, not so much in what it contains, as in what it does not contain; its content is far short of the full facts. To explain a social result, the general interest rate, by means of the conflict of individual interest rates is acceptable, so far as it goes; but one can not stop at this point. When one asks what determines the individual rates, he must get as his answer, social facts and relations, among others, the general rate itself. Hence so far as this overlap goes, one gets into a circle, the individual rates determine the general rate, the general rate determines the individual rate, and so on to infinity. Whether this overlap

be significant or not, it at least leads to a closer inspection of the social forces involved.

The time-preference of any individual as a concrete fact can not come into existence apart from social forces, nor can it stand a moment without their support. The whole complex of law, politics, ethics, economics is the source as well as the support of the status of any individual in that society. The person's psychology, and hence his time-preferences, is a product of the biology and the economics of the society of which he is a part. The time-preference of the individual is, as it were, an eddy in a stream. The eddy exists only because of a conflux of forces, partly opposed, partly working together; the eddy can not stand alone; remove the forces and the eddy disappears. The questions then are always at point:—What forces establish the individual time-preference? What forces hold it together? How will its social power appear under different social conditions? Disregard these aspects, then the purer you seek to make the abstraction of time-preference, the more ghostlike or really unthinkable it appears to become. The combination of words is put together, but when you try to make a general interest rate, a social result, emerge from different individual rates of preference, you actually call into play those very powers to escape which the abstraction was made. It is only the radiation of these forces obscurely perceived which imparts energy to the abstraction. Or more generally put,— after you have recognized that the whole mental furniture of man is social in origin, you can not avoid thinking that a psychology explanation which appears to start from the individual and which is to carry him beyond his social foundations can accomplish nothing real, save only as it filch power from the social connections which it apparently would disregard.

Now we have already seen (p. 160 ff.) some of the causes determining not merely time-preferences but also the whole biology and psychology of our society. We need not repeat this tale. The conclusion to be drawn seems evident enough.

The "pure-psychology" derivation of interest from time-preference, however neatly it may schematize present-day commercial practices, can hardly stand as expressing "the nature of things" in a society different from our own. The social significance of time-preference springs in our society from other factors than the mere lapse of time. A like remark seems applicable to Prof. Fisher's statement when he says interest arises because of the slowness of nature and the impatience of man. Nature, he says in effect, has an abundance of riches, but it takes time and labor to get them forth. Men are impatient, they or rather some of them will not wait, they will enjoy these riches in the present; (especially true of the wage-earners we may suppose). Now there are senses of course in which these statements are true. But a moment's consideration shows that it is just as true that they gather meaning only from the existing social relations implied in them. The interest which Fisher would have us derive from these "natural" facts may find its active source rather in the social mode of exploiting these riches of nature than in the slowness of nature and the impatience of man.

Fisher on Exploitation

It may serve to put in a clearer light the foregoing social aspect of time-preference, if we add a note to what Fisher remarks on the exploitation or socialist theory of interest. Prof. Fisher says that the exploitation theory consists virtually of two points: (a) that the future value of a good is greater than its cost of production, and (b) that the future value of a good should be exactly equal to its cost of production. He asserts that proposition (a) is true, that proposition (b) is false, and that (a) is fundamental for the whole theory of capital and interest. Now if Prof. Fisher includes in the future value of a good the fact of interest, then he avails himself either of the assumption that time-preference as economically and socially significant is beyond social origin and control, or else he is tacitly presupposing a substantial continuance of the present economic system, or else again, not intending any prediction as to future reality, he is content

merely to express thus a social presupposition as a fact not likely to suffer much change in the near future, and therefore not within the range of a book dealing theoretically with the practical present. The first of these three possible meanings, namely, that time-preferences are beyond social control is precisely the point at issue; it is the point. The other two meanings simply take this for granted in our present society. The socialist maintains that this interest-addition is exploitation. The socialist is willing, or ought to be willing, to accept every legitimate charge as entering into the value of a good: element value, form value, place value, time value as costs of warehousing and the like. He would cut out interest as resting merely on a difference in time-preference. He would thus have proposition (b) substantially true, that value should exactly equal the cost of production. His idea is that a society is possible in which time-preferences, or rather the causes which determine time-preferences with us, shall not work out into the social results now seen. Fisher's rejection of proposition (b), that value should exactly equal the costs of production, would seem to imply that the socialist's quest here is impossible of attainment and is therefore illusory. For Fisher then the psychology of time-preference, apparently always likely to exist in the way at least as we see it in children, appears to have escaped social control. Either this, or else that the socialist scheme is for him too impracticable for present consideration.

Now as a matter of fact society is constantly at work seeking to control preferences of all kinds, time-preferences among the rest. Every law enacted cuts into individual preferences. If you hold quite rigidly to individualistic ideas, it seems impossible for example to say that any one can be exploited by interest, who having a fixed income is willing to pay interest in order from pure preferences to change the shape of that income. But there are many presuppositions behind this statement. Social relations are not expressed but they are there with certainty. Why may not the person choose all his expected income at once and expend it in one

long plethoric feast? What if he die in consequence, or reduce himself to perfect want, or beggar his family? Shall his time-preference carry him into slavery? Whence comes his income, and what is his status as regards society about him? In short, social regards come driving back, and the case turns out to be a mere abstraction. Society thus may be bound for its own interests to regulate and dominate the time-preferences of individuals and thus dominate Austrian interest. This, of course, only as a mass social phenomenon, in which case however the Austrian-Yale theory might "suffer something of the nature of an insurrection."

Time-preferences economically considered are reflections, images, results, they are not driving causes. Interest is not a product of the lapse of time expressing itself in consciousness through time-preferences, that is to say, this is not the active cause of interest. We have already seen from page 160 onward, how time-preference varies with economic and other conditions, and how largely the economic dominates these other conditions. The fluctuations of the general interest rate indicate the reflex character of time-preferences, indicate that the psychology of the individual is subject to higher external powers. The rates of call loans show such responsiveness to exterior forces that time-preference can hardly be said to indicate "pure" interest. The readiness to accept negative interest under the stress of war, plagues, or other disasters shows the same. The fall of the rate of interest as the wealth and security of society increases, as well as the sudden change in an individual's time-preferences on the receipt of a goodly sum, all these things show that the general interest rate, that is, the time-preference of society, is a result, a product, a reflection, an image of something else.

EFFICIENT CAUSE OF INTEREST

What then is the active or efficient cause of interest-getting, and what are its relations to this matter of time? What else in interest, in wages, in rent, and in profit, than the desire for gain? All forms of income alike, wages, profit, rent, and

interest appear in the psychological field at first as things to be secured somehow for the satisfaction of human desires. This fragmentary aspect covers the scanty meal of a laborer and the feast of a Cleopatra drinking pearl-steeped wine. The social relations and conditions of the pursuit change this formal statement of primary desires in the field of psychology into an intricate complex of forces, the majority of which do not appear in the clear light of consciousness, but lurk in the dim or even subconscious background. The small spot of conscious light moving hither and thither, stays only momentarily on one place according to the interaction of these external social forces.

In wages you see the empty-handed laborer, shut out by law from direct access to the fields of production, compelled by law direct and indirect to his own endeavors. Orphaned thus by social convention, he meets face to face physical and psychological necessities. He can not flee,— whither shall he go? What means has he to travel? In the midst of plenty he must starve unless some one else shall fling him alms or offer him work. Naturally, making what bargain he can, he takes to wage-work. Time may be involved in all this, and time-preferences, but it is easy to see what the time-preference of the masses must be. In wages, one is too close to grim necessity to think of ascribing them to anything else than labor put forth against necessity.

In profit-making you meet the same classes, the possessing and the dispossessed; you meet the law-guarded tools and fields of production, the hungry army of laborers, the dependence of each on himself, the planless mode of supplying social needs, the weak, the shiftless, the strong, the unscrupulous, all tumbled together, each for himself in the property-guarded realm, and the devil take the hindmost. Says Prof. Smart, "The undertaker's wage is a glorious risk, depending among other things upon adroitness, foresight, opportunity and exploitation of labor." Glorious indeed! only, what is the test of glory? Manifestly here again there is not much use in invoking time-preference as explaining profits. Time-

preferences enter without doubt but the characteristics mentioned by Prof. Smart seem so obviously the effective agents that one needs nothing more.

In rent and in interest, again you meet with the law-guarded possession of the tools of production and of the fields or sources of supply. Again you meet those institutionally hungry, either from lack of head, from lack of physical strength, from lack of morals — what you will — socially orphaned, they stand and wait. On the other side is the land owner, the owner of houses, and in general the owner of the tools of production and distribution. The situation is easy to grasp. There is the hungry dispossessed army; here are the holders of all the ways of access. The power of possession speaks: "Labor for me, and I will let you live." Whether it be profit, rent, or interest, they are all one in this, there is gain to be made, there are the weaker to be despoiled. For, as Prof. Taussig in his latest book (Dec., 1911) shows, 'loans made to-day are for the most part by far made for productive purposes.' "In proportion therefore to the advantages to be reaped from borrowed money, the borrower offers more or less for the use of it" (Steuart). "As something can everywhere be made by the use of money, something ought everywhere be paid for the use of it" (Smith)— the "ought" here is really a "must," the social economic fact has been transformed into ethics.— "There must be profit from capital because otherwise the capitalist would have no interest in spending his capital in the productive employment of laborers" (Smith). Otherwise, let the laborers go hang. Boehm-Bawerk at the last ditch repeats this idea; Taussig likewise; and Fisher says: "But it should be added the cause of the fall of interest is primarily the expectation of small profits."

The psychology which differences wages and profits from rent and especially from interest seems not so difficult to come at. In our society both classes rest upon institutional grounds, the power of possession to make gain in the future. In the case of interest compared with that of profits espe-

cially, security and few or no risks are demanded over against more or less of a gambling speculation, more or less of risk-taking. The mere interest-taker can not or will not accept the chance of the greater gain. He will not himself labor in the vineyard, nor will he permit any one else to labor in his vineyard without exacting toll; he will not lend his property unless he get back not only the original sum but also a plus return. He has the advantage. The law-guarded fortress of possession is his. The overwhelming majority are shut out. They must work to live; in stress they will sell not only body but also mind and soul. Their labor power is enormous; hence the infinity of opportunities for gain. Thus rent, profits, and interest can be born. The unwillingness to take risks, the unreadiness to put real labor and care of their own into the productive process, these facts combined with the "sacred" power of possession explain why the interest rate differs from the profit rate.

These facts are also the essence of the economic aspects of time-preferences. The "pure" psychology of time-preference is thus seen to be a subtleized expression of very coarse facts. That "pure" psychology of time-preferences has existed in every human economy may well be granted, yet curiously, only where the private ownership of the sources of production flourishes, does interest become a meaningful element of that economy. The economic time-preferences of "pure" psychology are the product and the expression of the power of possession to extract gain. The greater the power to extract, the greater the time-preference, it matters little whether the time be present time, or be future time.

The fact is that in the interest problem the economists frequently confound two entirely different questions, namely, what causes interest at all? and interest given as a fact, what determines the general interest rate? The unconscious commingling of the elements of these two problems tends to secure for some writers that "natural necessity" so much desired for "pure science" solutions. One can see this confusion in Fisher's propositions concerning "exploitation"

(p. 180). The genuine social question is the social control of interest-getting as a social phenomenon, that is, as concerns its social results. If interest-getting as practiced to-day be controllable by society, and history shows that for eons interest did not exist (p. 170), then no time necessities or derivative psychological necessities assumed for the second problem have any bearing whatsoever on the first question. If society abolish interest-getting as now known, the general rate problem dissipates into nothingness, its schematic necessities vanish. It is plain however that a subconscious transference of elements of problem two to problem one must tend to disguise true relations.

It was shown just above that the efficient cause of interest-getting is the love and power to extract gain. This seen, it is easy to understand the function of time-valuations, time-preferences, discounting the future, as causes of interest and of the general interest rate. As causes of interest they are names. These names, presenting individualistic psychological results (economic concepts) as if these concepts were independent, in effect beg the solution of question number one; that is, the power of external circumstances to mold psychology is tacitly cancelled. Thus though this psychological theory really moves only within question two, it pretends to have solved question one also; it commingles the necessities of the second with those of the first and thus assumes to take on a *final* form.

As causes of the general rate,— this assumes interest-getting as a fact established by real causes,— time-valuations, time-preferences and discounts may readily enough bear the name "specific," but it were preferable to call them formal, as indicating better (a) their departure from real causes and (b) their relative schematic nature. Time relations in this matter are only formal. Life and economics are to be continuous. The needs of the interest-getter, the holder of power, also recur in time. Indeed not much else remains, the interest-getter, does nothing specific; the most striking thing concerning him is the fact that his power being continuous

his product also is continuous. Time is the one of the models of conceptual continuity. It would thus seem most natural that the interest obtained should be distributed along time, and thus that time itself, or discounting according to time, should appear as the specific cause of interest.

ETHICS OF THE CASE

Finally as to the ethics of the case. It is to the efficient causes, not to the formal, that the large ethical qualities attach. Naturally Boehm-Bawerk does not fail to notice the salient points in the abuse of interest-taking. He sees the disparity between the position of the masses and that of the few; he sees the enormous temptations to plunder the weak, and that in our society perhaps no economic arrangement is more open to unscrupulous dealing than is interest-taking. Naturally, his problem being to find " necessities " of nature somewhere as the basis of interest, and having spent 852 pages on that problem, he can avoid further discussion. As in " Capital and Interest " he devoted some 100 pages to show, as he thought, the nullity of any exploitation theory such as that of Rodbertus or that of Marx, it could not but be that he would eventually find interest-taking justified and also inevitable in any social system. As we can not think that he has made good his psychological base, we are hardly ready to accept his pronouncement about interest in any and all future societies. The question must always be the mass social product and resultant of any institution. Even if we grant that some of the phenomena he makes mention of as necessitating in any human society something analogous to interest, he has failed to note the possible mass difference it would make to society and to its members one to the other, if that necessary analogue of interest should be appropriated and administered by the society, not for the benefit of one class, namely, the possessors, but for the good of all. However chimerical as a possibility this may be, it is at least a thinkable proposition. If so, then a qualification of the ethical judgment concerning present-day interest is an open question.

The ethical quality of interest-taking is not something which is to be determined offhand. The invoking of "intuition," that lazy method of settling disputes, will not suffice. The Mosaic prohibition to Jews from taking interest from their fellow clansmen,— probably a relic of the days of communal or gentile life,— points to other elements. The history of interest in Greece, in Rome, the thousand-year prohibition of interest in the French law, and the still longer prohibition in the canon or church law, followed at last by the surrender of the church in this matter, and the present-day dominance of interest-taking, show clearly enough that "intuition" here will not work. The history of the connection of interest with the growth of private property in the sources of production, the observation and the analysis of the relation as seen before our very eyes, make clear that the varying fortune of the ethical purity of interest rests upon exterior political and economic relations.

So long as the forces sustaining interest hold the seats of actual power, so long will an acceptable ethics be found. The plain conclusion is, that when the seat of power is shifted, a corresponding ethics will evolve. Meanwhile, forces within and without seem to be hammering on the very foundations of society. To think that the finality has been reached and is here before us is to dally and quarrel about place and precedence in a Louis the Sixteenth's court, while without the palace walls a grim French revolution may be thundering at the gates.

CHAPTER V

INTEREST AS EXPLOITATION

ETHICS AND INTEREST; INTEREST REAL.—OLDER INTEREST THEORIES: "FRUCTIFICATION"; "ABSTINENCE"; DISPLACED LABOR; "ACCUMULATED LABOR"; "USE"; "WAITING."—MEANING OF "SOCIALLY GUARANTEED"; "EQUALITY"; CREATIVE CONTRIBUTION TEST NOT FINAL.—EXCHANGE THEORIES OF INTEREST: GENERAL, OLDER SCHOOL; AUSTRIAN SCHOOL.—"REPLIES": I. "FULL PAY": REAL CONDITIONS; LABOR STATE; LABORS AND FUNCTIONS OF CAPITALISTS AND ENTERPRIZERS; CAPITALISTIC ILLUSIONS.—II. "MARGINAL UTILITY" DOCTRINE: PSYCHOLOGY INDIVIDUALISTIC; NORMAL VALUES; VALUES RATIONALIZED; STAPLES AND LUXURIES, EFFECTIVE DEMAND, MASSES AS CONSUMERS, LIFE INSURANCE, MONOPOLIES, WORLD MARKETS, STORAGE SYSTEMS, OTHER ECONOMIES, "DERIVED VALUES," "ALTERNATIVE USES."—SUBJECTIVE VALUES AND OBJECTIVE CONSTANTS; SOCIETY WITH FIXED VALUES NOT MONOTONOUS; MOORE'S "LAWS OF WAGES."—PSYCHOLOGY, A REFLEX; VALUE OBJECTIVE; MEASURE OF VALUE OBJECTIVE; LABOR STATE THINKABLE; EXPLOITATION; INTEREST ETHICS TRANSFIGURED ECONOMICS.

The large question of the dependence of ethics upon economics led to the preceding discussions of this relation in the case of interest. The pervasiveness of interest in present society justifies the fullest examination of its ethics and economics. Interest may be regarded as arising either in the field of production, or in that of exchange. In the article on Prof. Clark's theory, taken as typical of productivity theories, the ethics and economics of interest were partly dealt with from the production view-point. The Austrian psychological theory really enters the field of exchange relations. Though its fundamental idea was found to be largely circular, it seems advisable to go further into the use made of it and of kindred explanations within the realm of exchange.

Let interest theories be what they may, one thing at least is perfectly clear, namely, that real net interest represents a

part of the goods created in any productive period, or is a claim upon them, enforced directly or indirectly by law. Real net interest is a material something; it must take form either in land, productive instruments, productive goods, or in finished consumption goods. Interest on a government bond or a pension may for the moment be represented in fact only by papers in the hands of the holder. But when the day of payment comes round, the real economic goods must be in existence somewhere. Law and the police will enforce payment. The payments may be made in hard money or in soft money, but this money represents real economic goods and these goods must somehow come into existence. Interest not represented by present or by future economic products is a mere dream.

Interest, as arising from exchange relations whether those of the present or those of the future, can not conceal the necessity for a productive process entering somewhere. The person, who exchanges or promises a greater quantity of future goods for a present supply, must by hook or crook create an equal amount of goods and also the addition promised. And even if "pure" interest does express essentially this difference between the present and the future values, interest is evidently reaped continuously as a store of calculable goods. Now, no way has yet been discovered whereby calculable economic goods come into existence save by labor alone. A chance find of a diamond may occur, or a chance find of a gold mine or of a coal deposit, but these sporadic cases of good luck do not and can not constitute a continuous economy. Economic diamonds, coal, and gold must be systematically hunted for and mined. Similarly all other economic goods of a continuous economy are got only by the steady application of labor. Real interest is a mass of goods of a continuous labor economy. Without these goods, time-preferences would have no foundation. In dealing with the origin and justification of interest it is therefore impossible to exclude the productive process from consideration. The interlacing of social causes and effects is

too intricate to allow permanent satisfaction to arise from a fractional treatment of the subject of interest.

In general then the question is in order:— What is the contribution of the interest-getter to the productive process? Interest theories in effect try so to represent matters as to justify interest as the reward of the capitalist. Using Boehm-Bawerk's book let us glance at other interest theories from this point of view. We shall see that imputationism permeates them all.

OLDER INTEREST THEORIES

"*Fructification*" *Theory*

One of the earlier explanations of interest and profits from the production side was the "Fructification" theory. This theory rests upon the contrast between the "fruitful" vital forces of the animal and vegetable worlds, and the "barren" powers of inanimate nature. An animal herd will with reasonable care and attention increase rapidly in numbers. A grain of corn produces ears bearing thousands of grains. The like is true more or less of all economic processes involving life — agriculture, cattle raising, artificial fisheries, and so on. The fertility of some food animals, rabbits for example, is so great that under favorable circumstances the race could quickly fill the world.

In general the land-holder is typical in this relation economically. Conspicuously, even while he sleeps, the vital powers in nature are working for his benefit. Contrasted with this "fertility" of vital powers is the "barrenness" of inanimate forces. The tool, the machine, the motor powers of water, electricity, gravitation, chemical energy, none of these things appears to possess the self-growth of the vital forces. Only through constant care and labor of man are their energies turned to productive purposes, and guarded from the dissolving forces of time or from running into destructive rather than into productive action.

That profits and interest come from the appropriation of the products of the self-expanding forces of life seems at first

sight a satisfactory explanation. In our society evidently land, herds, forests, animal and vegetable supplies and powers of all kinds, are bought and sold. Hence since all sorts of "barren" capital can by exchange be replaced by "fertile" goods, land, cattle, forests, crops, by tools, machinery, money, and vice versa, it happens that the industrialist, the trader, the financial magnate can secure a reward similar to that of the holder of "fertile" goods. If his industrial, commercial, or financial venture seems likely to yield nothing, he may withdraw his capital from the "barren" field, and embarking in agriculture or the like, he may secure the aid of self-expanding vital forces. By the substitution of equivalent capitals, all capital comes to enjoy the same extra reward appropriated by the holders of the "fertile" powers in nature.

How then does the interest-getter or the profit-maker enter into the act of production where "fertile goods" are concerned? In the following way: Under social guarantees he secures possession of the fertile forces of nature and makes them work for him. Certainly the herdsman and the plowman with all their labor do not make or constitute the forces in sun, soil, rain, and animal fruitfulness. While the owner and the laborer sleep, these powers work onward. The grain increases and ripens to 40, 60, and 100 fold. The herd grows more or less mightily in weight and in numbers. Since this increase is not from the laborer, he is not defrauded, they tell us. The increase therefore can go only and properly to the possessor of these fruitful powers. The natural powers and their results are attributed to him as his physiological output, as his creative contribution. The like by substitution and exchange is thought to hold good of the industrialist and others.

This explanation is naive enough. It starts from a conspicuous fact in nature, vital fertility, and then runs on into a delusive explanation. The exchange extension of this idea of "fertility" over to the "barren goods" of machine power is a characteric failure to reach the true reason, it is a bit of surface psychology. Now the fact is that for human economy

the fruitfulness of the animal and the vegetable world is quite on a par with gravitation, heat, electricity, chemical affinity, and so on. Man fronts nature. From his human view-point, his dominion covers everything to which his power extends. All natural energies whatsoever are but aids, sources, or reservoirs to be used by him for his own benefit. The fowl of the air, the four-footed and creeping things of the earth, the fish of the sea, all the pent-up powers of air, land, and ocean are tributary to him. Man has made himself king of all earthly things. As such king he dominates all. In respect to economic exploitation there is thus no difference between "fertile goods" and "barren" goods. Both are for human service. The idea that there is any essential difference between them as regards their exploitability for man's use is a mere illusion. Both are parts of nature exterior to man. Both are to be used by man for his own behoof. Animal and vegetable fertility differ of course from gravitation, electricity, chemical affinity, and so on, just indeed as these also differ from one another. But this fertility can as little be devoted to human service without labor, as can the flow of power in a waterfall, or the stream of electrical currents circling the earth, or the manifold other forces playing about us in nature. Apart from care and labor, land, herds, crops, run wild, escape, or perish. Without care and labor, falling water will drive no turbine, nor will coal, iron, and water deliver a continuous stream of motor energy. In this respect there is no difference among them all.

As regards the creative test the case is easily decided; it represents imputation. Exclusive ownership socially guaranteed is at the bottom of it all. The vital powers of "fertile" goods and the material powers of "barren" goods are facts of external nature; in general the product results from the combination of labor and natural forces; wages are paid for the labor power; profits and interest go to the owners; the natural forces are imputed to them; thus they satisfy the creative test. Social power establishes the relation of ownership and guarantees its continuance. This same power con-

stantly regenerates in owners and others the ethics and the psychology which contentedly regard this output of natural powers as the creative contribution of owners.

"Abstinence" Theory.

As little can the "Abstinence," or the new "Saving" theory account for the production of profits and interest or justify their payment, save by imputation devices and misdirected praises. So far as concerns the production of goods, abstinence or saving is of course only negative. A refusal to consume goods legitimately in hand in no wise explains the creation of either the old goods themselves or the new goods. In each case these goods come from labor applied to nature. Abstaining from consumption is saving, is preferring a future pleasure to a present one, is discounting the future; the goods saved are the reward, but there is yet no interest.

Of course this doctrine of Abstinence is made to yield much more than the simple statement above. By bit after bit the entire present system is fetched in. The goods saved are not merely a store of unconsumed goods; by exchange they are turned into capital, that is, into productive instruments from which still greater stores may be had. Thus productivity doctrines and the eternity of capital's reward get entrance and influence. Or Abstinence does duty for labor. One might do as the famous mythical economic Crusoe, namely, reserve some of his "catch" or "find" to support himself while he labored on a net or a boat. Or he might abstain from nothing at all and merely work harder. In either case, they tell us, he obtains capital, a surplus of goods. Thus his abstinence in one case can be translated into labor terms in the other case. Now labor, and consequently abstinence, deserve its reward. Since therefore Crusoe has now his capital, he is entitled to whatever superior results he may obtain from it.

However if one refuse to be caught by this creeping in of the existing system and stick to the creative contribution test, one sees readily enough the imputation trick and the misdirected praises. The labor test requires that Crusoe himself put forth energy in caring for his tools and in employing them

in production. But when instead of laboring himself he turns to Friday and says to him, "You may use my tool, provided you return it to me absolutely intact together with a portion of the gain or catch or product you obtain," then Crusoe is overstepping the test. He retains his capital without the labor of keeping it in a serviceable state and he likewise gets a portion of the product. He double counts. He does nothing, he reaps a reward. The assigning to him of a reward is only a disguised way of attributing to him as his energy the natural powers resident in the tool. Tested by a property idea sprung from and correlated with the output of labor, Crusoe is entitled to the return of his tool undiminished perhaps in efficiency. Beyond this he oversteps the property right as founded upon a creative contribution of labor; his exaction of more than a return of the original tool is unethical, that is, Crusoe does not satisfy the requirements of the test. Boehm-Bawerk's discounting of the future in the case of Friday does not save the situation as regards Crusoe. Crusoe still reaps where he has not sown, even though Friday himself notwithstanding exploitation by Crusoe should get so far on that he can soon have a like tool of his own.

Lassalle, Marx, and others have sufficiently exposed the ludicrousness of "abstinence" as the cause of capital and interest in our society; even the millionaire is now ready to smile at the thought of his "abstinence" as the cause of his wealth; the productive process and the social organization are too much in evidence. The praise of abstinence is made up of many elements; hence its seductiveness. It contains the praise of self-control — surely an indispensable quality for man in an organized community; of the efficiency of machinery — a physical science truth; of a reserve in an emergency; and above all, the praise of savings as the means whereby one can make gains out of others; this last is the economic body of which the first is the ethical garb.

Displaced Labor Theory

If none of the previous theories satisfies the fundamental productive test, as little does the Displaced Labor theory

meet the requirements. Machinery, Lauderdale tells us, may take the place of any number of laborers from two to hundreds. Since these laborers if not displaced must receive wages, the machinery by displacing the laborers effects a saving of wages. The laborers retained receive their pay and are not defrauded. The net saving in wages through substituted machinery constitutes the source of profit and of interest.

The attempt to insinuate by imputation the virtue of labor into this theory is evident. The power of the machine is substituted for the power of the laborers displaced, it is at the same time attributed to the owner as his power, it is held to be his labor output. This substitutionary trick manifest in the case of the owner employing the machinery is strained to the benefit of the interest-getter. For the pure interest-getter as such has nothing whatsoever to do either with owning the machinery, or with directing that machines be used, or with guiding and tending the actual working of the machines. The interest-getter as such stands wholly outside of the processes of production. Like the publican of old he merely sits at the receipt of the customs, and takes in the 3, the 6, or the 10 or more per cent. as the case may be.

One needs not raise the question of the reality of the net gain when the cost of the machine is compared with the amount of the wages saved by displacing labor. The increase in the machine power of the world indicates that the substitution has proved in the long run to be profitable. Further, a less narrow treatment of the question would easily invite one to consider what becomes of the labor displaced by the machinery, and how fares it with the displaced laborers, what is their subsequent influence upon the social relations and even upon the wages of the laborers not displaced — these and many other such questions apparently not regarded in the schematic statement given. Enough at present that this displacement indicates the power of possession to dictate terms, to cloak rude facts with garments of ethical purity, to

mock by substitutionary tricks the requirements of an effective labor contribution to the economic product and rewards obtained.

"Accumulated Labor" Theory

In the theory of capital as "Accumulated Labor" there is again an essentially ludicrous confusion. The theory says in effect: Capital, as a store of goods and tools, undoubtedly comes from labor applied to nature; labor's reward should be eternal; therefore capital as "accumulated labor" should get a reward. But "accumulated labor" is not the personal labor of any interest-getter as such. The pure interest-getter labors not. The capital produced by labor is not "accumulated" by the laborers. The labor accumulated in capital is past labor, is dead labor. Dead labor or the labor of the dead produces nothing and can reap nothing. The dead labor not. The accumulated labor of dead laborers does not inure to the benefit of either the dead laborers or those who actually labored. The capitalist has accumulated not his own labor but the labor of others. At bottom the idea in "accumulated labor" is the imputation trick. It attributes to the holder of the capital regarded as a product of labor those wages, which laborers would have reaped, had they, rather than their product, put forth the power inherent in the machines. The power of the machine is imputed to the capitalist as his labor output; the substitution is enforced by exclusive possession socially guaranteed.

"Use" Theory

"Use" theories so much in favor with certain German and Austrian economists seem open to the foregoing criticisms. Interest is payment for the use of capital; or capital renders services of various kinds, one of which services is of such a peculiar nature as to demand and to deserve a specific reward called interest. Whether one take the theory in a crude, naked form, interest as the payment for the use of capital — which crude form after all comes near to the real facts in the case — or whether one follow it into the nice metaphysical distinctions drawn out by its adherents, two relations seem

to be indisputable facts. (a) As regards the productive process, the interest-getter as such does not use his capital at all. Some one else, the enterprizer, makes the venture. (b) The peculiar power of capital, different from the material powers of the tool or other natural agent, to produce interest goes by the laws of property with the possession of the capital; it and the material powers are imputed to the owners as their output; the creation test is aborted by substitution. This is the significant point.

"Waiting" Theory

Again there is the "Waiting" theory. Production tends strongly to-day to become more indirect, more roundabout; hence a longer time must elapse before the product is secured. Now the empty-handed laborer will not wait this longer time for the emergence of the product, will not wait, for he of course as empty-handed can not wait. The capitalist waits, and thus because he waits, he secures the greater product made possible as a rule by the longer roundabout process. Hence his profits; hence his interest.

Again however the chameleon character of all attempts to void the creative contribution test comes to light. Mere waiting produces nothing, any more than does the lapsing of time. The two expressions have the same meaning. "Waiting," even if it be forever, does not satisfy the requirement of creative effort. "Waiting" is as negative as is abstinence. Laborers put their actual energy into the product. Machines and all other natural powers employed in roundabout processes put actual energy into the product. What do the "waiters" do? What else than because of the power of possession to repeat the substitution trick, and thus to assert that the natural powers engaged in roundabout processes are their personal creative contributions? Their creation is only imputation socially guaranteed. Full hands versus empty hands, the result is not doubtful; profits, rent, interest on one side, wages on the other, an aborted test, and a di-

vision of the products said to be "desirable and morally justifiable."

MEANING OF "SOCIALLY GUARANTEED"

As seen, each of the interest theories touched upon splits asunder when rigidly subjected to the creative contribution test. In every case, one runs against exclusive or private possessions socially guaranteed. Everywhere interest theories are seeking so to phrase matters that this exclusive possession shall appropriate with social approbation an increment of income not earned by the labor of the appropriator. All the while, the natural thought behind all these attempts is simply this; — a certain portion of society conceives that its welfare is dependent upon certain conditions, and that its welfare and the welfare of the whole are essentially one. Thus their appeal at bottom is to social results. Hence they themselves open the way for any one to make a similar appeal. Let us then consider for a moment what implications go along with the words, "socially guaranteed."

In all cases it is evident that a plexus of ethical ideas is involved; for examples: Man has dominion over all nature; the laborer is worthy of his hire; to each his own; no work, no pay; he who will not work shall not eat; — in short, an intricate society is implied. Various thinkers seize upon and emphasize parts of this group of ideas, so that we have absolute idealistic postulates as those of a Kant, or theological postulates as those of the Roman Catholic Church, which for various reasons are represented as the "foundations of society." But an impartial review of the stages of culture development shows that human society as a totality is too large for any simple absolutist theory. The one thing standing forth clear and distinct in such a review is, that social welfare however narrowly conceived is the dominant interpreter of social relations, and that material economic considerations in the long run effectively establish what concept of welfare shall rule. In short, social causes, social guarantees, social results, determine social right and social wrong.

It follows that since exclusive possession is socially guaranteed, society may modify, greatly alter, or even dissolve this exclusiveness of possession, and the interest phenomena resting upon it. Apart from social relations exclusive possession only means that what a man holds he must hold by personal force against all assailants whatsoever. This is the war of each against all; it means the non-existence of real society. There exists to-day savage tribes which more or less largely picture this state of affairs. In opposition to this, our private property idea has for its guarantee social conventions. Social welfare in its various phases constitutes the limitations of these conventions.

Now as a fact of mere nature, no man can ever secure tools or instruments which will finally and for all time relieve him of the necessity for any further work. Certainly no large number of men can do so. If by a lucky chance a person should find himself so nicely circumstanced, he could retain his favorable situation only by appealing to social guarantees. These guarantees would in effect enable him to exploit others in his society; that is, instead of the war of all against him, he in effect would ask all others to subordinate their welfare to his, to guarantee his against their own. It follows that no reasonable society would guarantee to him without explicit or implicit limitations any such boon. In nature however no such sites or instruments are found. Fortunatus purses exist only in romance.

In our society the interest-getter has managed through social conventions to obtain, contrary to nature, an ever-living supply of economic goods. He escapes the necessity to look for a new supply of goods; he escapes the necessity of caring for the goods when found; the goods increase on his hands without effort on his part. The interest-getter thus slips free from three dooms of nature; this, he does by means of social conventions, and by the same means he shifts these burdens upon others. To demand a continuance of these conventions without change is equivalent to asking one part of society to subject

itself voluntarily to another part of society, regardless of ulterior social consequences.

With the idea of exclusive ownership is often speciously coupled the idea of equality. The agreement is: — I will respect your possession of a store of goods, provided you do the same towards mine. This agreement enforceed throughout society constitutes the law of private property; enforced upon all, it appears to express the soul of equality.

We have here social power masquerading in individualism, and seeking to secure its ethical purity in mathematical terms. For of course this supposition of equality in the relations of exclusive ownership was never debated or consciously enacted as a social rule. It grew up as grows a flower or a weed. It presupposes the decision of mature individuals. In this decision the young do not participate. The new-born and other in-comers have nothing to say in it. These have simply to accept it, or either to move out of that society, or else to change the society. The individualistic view is but a fractional representation of the social creature, exclusive ownership, trying to escape its social origin by fleeing to mathematics. In fact, however, it can not thus escape. No exclusive owner can enforce his claim by means of his own power; he must make his appeal to collective force. To escape the war of each against all and all against each, he appeals to social convention, he invokes the welfare of all. But this appeal in effect subjects him to social dominion. Always then the final test must be the welfare of society.

There are circumstances wherein this appeal to equality in the abstract individualistic way is less objectionable. If there remain large expanses of nature from which by customary methods a living may be had, and if these fountains of supply have not been enclosed by law, then with freedom granted, a chance to escape exploitation by others remains; one may flee to nature and to his own labor for refuge. But when as in our society all fields of production have been preempted and are kept so by social force, inevitably non-holders

and newcomers are exploited; they live only by the sufferance of others. When the holders apply collective power to maintain their position, by force they cancel the appeal to equality; they appeal to social welfare; to this Caesar let them go.

A cursory examination of history easily shows how often the meaning of "equality" and the range of "exclusive ownership" have changed. "Equality" in a matriarchal, in a slave, in a caste society, has quite different points of application. Sexual equality has far different meanings in patriarchal, matriarchal, polygamous, and monogamous families. Equality changes with economic relations; witness the growing demand for woman suffrage, because of her changing economic status. The passing from tribal and national communism through every stage of gradation to private ownership illustrates all ranges of "exclusive possession." All so-called absolute rights are of social origin. Hence the socially born right of equality implied in exclusive ownership is necessarily limited; it can not be intrinsically superior to other rights having exactly the same origin and guarantee.

On the ground of the social origin of rights one can even question the finality of the creative contribution test. As seen, all interest theories violate the test, and now even this test itself may be questioned. We are far from admitting that a division of the product between machine force and man force should occur according to their respective contributions. An extension of the equality idea contained implicitly in guaranteed exclusive ownership, recognizing the fact that man is not solely a natural complex of mental-muscle force, would insist that such a division of the product of a combination of purely human forces is forbidden on wider social grounds. Not to the strong and to the weak according to their respective individual strengths, but to each according to the broader and wider diffusion of social welfare. This principle has been recognized in every economy in every age. One sees it in the family, in the city, in the nation, in the race. True, it does not seem to receive so explicit a man-

ifestation, because it is not enshrined so firmly in a specific institution, but the use and enjoyment of any public park illustrates the idea clearly enough. If then men themselves can not in conformity with a higher and a wider view of social welfare divide a product according to their respective contributions, still less can that be the case between a man and a machine.

It appears from the foregoing that in the sphere of production, interest means a failure to satisfy the demand, "to each his own." The interest-getter avoids the labor of a continuous search for supplies, of guarding against nature's assaults, of creating his increase. "Exclusive possession" under "social guarantees" subjects others to him. Interest means unpaid labor, means exploitation. Let the disguise be what it may, there are certain objective material facts involved in the act and the relations of production, which no amount of finely spun thinking is going to convert into subjective fancies. The seats of the mighty are pleasant indeed, but they are made soft and delectable by the exploitation of sweaty, unpaid labor. It is hard for holders of these seats not to be convinced of their own deserts. The most honest among them are assailed by every temptation to conceal the true situation. What ideals of art, science, culture, religion, and ethics, float before them; as if these ideals were from them alone, were their proper social work, and apart from them would perish from the earth,— Imputation devices so seduce them. Heaven is emptied of its gods to grace their earthly thrones. It were so pleasant, physically, mentally, and spiritually, if they, the most honest among them, could only persuade themselves that all the balms of earthly blessedness are theirs by natural necessities, by eternal ethics, and by celestial decrees. Hence the turnings, the windings, to avoid looking the facts squarely in the face. Hence the unwillingness to stand boldly forth, admit openly the exploitation, and defend it upon more or less selfish social grounds. But no, even the noble-great are too weak for this; while the nakedly selfish-great wind, so long as they can, the highways

and byways of ethical cant and hypocrisy, and in the end, fight with grim savagery for their economic advantages.

EXCHANGE THEORIES OF INTEREST

Assuming that the failure of all theories justifying interest from the side of production is now evident enough, we turn to those from the field of exchange. The sketch of Loan Interest (p. 172) prepares for this idea; Boehm-Bawerk's theory of interest as arising from discounting the future is an explanation from exchange relations. It may be remarked at the outset that interest theories based on the exchange reletion are much more seductive than others. The reason for this is plain; such theories turn upon the present structure of society, and upon the intricacies of exchange psychology, which already was found to be so largely circular. Almost inevitably, exchange theories run into logical circles especially where they seek to see interest as a "natural necessity."

General Theory. Older School.

Generally put, the exchange representation runs about as follows. A and B have each goods which they desire from each other; each values his own goods at certain prices, but they both have upper and lower limits; if these limiting prices overlap, A and B may come together and effect an exchange; each satisfies his desires, in part at least; so far, each gains; there is no spoliation; "a fair exchange is no robbery." But all society is daily performing this process of exchange, millions of times. Hence, the emergence of profits and interest. Thus say the older schools of economics.

At the bottom of this extremely plausible representation are many presuppositions, without which the conclusions to be drawn disappear, and with which the conclusions are idle fancies. There are the assumptions of relative equality between the bargainers, adequate knowledge on both sides, and some sort of objective meaning to the expression "a fair exchange." But with these assumptions granted, the possibility of profits and interest is annihilated; each man with the enlightenment of perfect self-interest, free from any con-

straining outer forces, knows and exacts the social exchange value of his goods; no profits and no interest are here possible. Marx has examined and exploded this view. One can dislocate, by a kind of exchange, the distribution of actually existing things and values, but one can not thereby explain the production of new goods or new values. Unless "a fair exchange" have some objective and stable meaning, how can "fairness" be known at all? Social "fairness" implies a standard of value; hence, a kind of all-wisdom on the part of the exchangers. Again, without equality between A and B, "fairness" is practically impossible. In short, the representation is only another of those schematic forms which contain in the premises the conclusion desired. Only because the schematic form contains a plausible part-view of the actual facts, does it seem to yield profits as a result of the act of exchange.

Interest then can not be explained by that exchange wherein objective equivalents are said to be given one for the other by persons standing upon equal footing. Hence the way is open to consider exchange, not as it is represented in the schematizations of bourgeois economists, but as it actually exists among us.

What our actual exchange is may be inferred from the fact that in the retail trade hardly any of the weights and measures used are up to the standard requirements. Inspectors must be ceaselessly active and constantly clever in order to detect trickery. The impetus to adulteration of food-stuffs, clothing, medicine, practically everything, is so powerful as to require government experts constantly on the watch, and to cause the steady emission of new laws. What kind of "fairness" may be expected is seen spectacularly in the exchanges occurring during a "squeeze" or a "corner." Exchange of labor power for wages has for counters;— strikes, lockouts, blacklists, boycotts, trade-unions, federations of labor, combinations of employers, trusts, and the like. Free competition is dead; it never did exist except in theory. Concern for the humanity is shown in the necessity of factory legislation

of all sorts. Our courts and laws manifest more care for property rights than for human life. The courts and laws constantly appeal to the ideas of the freedom, independence, and equality of all, as if such things as economic necessity did not exist. Interest and profits arising from such institutional relations can hardly possess that purity ascribed to them by bourgeois economists.

Austrian Theory of Exchange

The Boehm-Bawerk — Fisher theory of interest insists upon the influence of time in this matter of exchange. Future goods are less valuable than present goods of like quality; exchange determines this fact; this difference is interest. A has possession of a certain economic good; B desires that good. At present, A values the good at, say, $1.00; B can not pay for it now. A agrees to accept for it $1.05 to be paid at the end of one year. Five cents is the interest paid by B for a present good, whose equivalent in quantity is to be repaid in one year. If B had had the one dollar, and had accepted A's offer on the spot, interest would not enter the transaction. Both A and B agree to the exchange, and "a fair exchange is no robbery." In exchanging present goods for future goods, a new element, time, enters the problem; hence the difference in the two sums.

Plainly, the above is simply a picture of present-day practices; it appears almost self-evidently just; this, because it is perfectly familiar. But there are some things to be said in the matter. The picture is the mere surface of the transaction; it indicates nothing of moving powers below. It assumes relative equality between the bargainers; no constraint from outer forces; adequate knowledge by both of a "fair" rate; no regard to future or social consequences, if such acts became general; a single act of strictly independent persons. If these conditions do not exist, the act is questionable both in theory and in fact; — minors and others under legal restraint. If the conditions exist, we have on hand only an unreal abstraction, unreal, because like "the social contract" it pretends to give an adequate picture of genuine life. Grant

the assumptions, and the acceptability of the transaction is strictly logical; it is contained in the premises. The acceptability of present-day exchange practice is derived from thus substituting the schematic for the real.

Now in fact these strictly independent persons do not exist in our society, nor is there adequate knowledge on both sides, nor freedom from constraint of inner and outer forces, nor freedom from social results. This being so, we are back to the facts of real exchange, seen above, which apply to all sorts of exchanges present and future. From the relations of real life, one may readily see the circumstances out of which, through the means of exchange relations, profits and interest may arise; cheating in present exchanges, that is, departures from normal prices or values; and exploitation in the production process for future values as was shown by Marx.

Time does enter into the determination of values; "the tooth of time gnaws into all things," that is, concrete forces working in time. The destructive agencies of nature, storm, flood, fire, rust, microbes, insects, all these must be guarded against. Likewise, provision must be made for all those helpful processes, wherein natural powers require time for their full realization, whether it be for the tanning of leather or for the ripening of wine. Outer nature remains nature; goods of a continuous economy come only from labor applied, and labor always costs. Generally speaking, insurance, warehousing charges, sinking funds, and the like cover those losses from the action of "time;" since these charges must be met, they enter into values or prices. But where does interest come in? Interest is a charge additional to all these. Space-preferences are answered, it would appear, by transportation charges; form-preferences are answered by factory charges; element-preferences are answered, typically, by mining charges. But time-preferences are not answered, it seems, sufficiently by typical storage charges; interest must be added. But look again, and you will see that interest is involved and paid in transportation charges and in all the other charges

mentioned. And why? Simply because institutions establish the power of mere possession to extract gain. Every continuous economy must meet nature with labor; costs of transportation, of manufacturing, of extracting processes, of warehousing, are inevitable; they represent physical necessity. This is not the case with interest. Austrian time-preferences are hopes for gain born of a class organization of our society.

A exchanged his dollar article for a future $1.05. His dollar article will not of itself increase in value to $1.05 at the end of the year. On the contrary, his article will ordinarily have yielded more or less to decay; it will have less serviceability, and also less value. As a natural fact time would not benefit A in this case. Against nature he preserves the article intact, and he also coins an additional 5%. This he does by exploiting B. A's abstinence from consumption does not block decay, nor create the added 5%. If he consume the article in the present, he has his present enjoyment as his reward, and he escapes care and the hope of gain; if he makes no exchange with B, he has his article, the care, and no hope of a gain. By the exchange he therefore doubly gains. B can not make up the 5% save by unpaid labor on his part. A's psychology of time-preference means here, not that he prefers his goods simply at a future time — as individualist his only choices are present versus future consumption — but that by a social relation, he can choose the future without the natural accompaniment of care and the labor of creating an additionl 5%. If moreover the social relations force B to a state of dependence on A, the preference for gain is more clearly at work. Money as a device to guard against decay is an inept circular reply. Money means social relations already established; besides this, all the money in the world would represent only a small fraction of existing values; hence the money refuge is open to but few; this means that all others are open to exploitation. The idea that interest is the recompense for surrendering the power to use the article at will is again an attempt to read social relations in individualistic terms. As individualist, A chooses between

present use and future use with loss and care; he gets no pay for deferred consumption; he escapes no care and labor; this feat he accomplishes only through social relations by imposing labor and care on others.

Interest is institutional exploitation. Our economic system rests fundamentally upon exploitation. It is a system made by the strong for the strong. It preaches individualism, every one is alone responsible for his economic situation. Some put this part-truth in pretty ethical phrases: — each gets his own deserts; the thrifty, the wise, the careful get their due rewards; the lazy, the criminal, the inefficient, these too find their proper place. But such apologists forget to estimate how much our system weakens the weak and further degrades the degraded; they forget also to make evident that whatever of truth their words contain lies wholly outside of interest phenomena. Out of the anarchy of individualistic striving — for economically each is against all and all against each, or rather to-day a few are banded for themselves against all, all others are only tools to be used — it expects a heaven of social welfare. Such a system can not possibly land in anything else than exploitation. Its excusatory cry is the answer of Cain, "Am I my brother's keeper?" The cry fits both, since both are among the murderers.

"FULL PAY"

Bearing constantly in mind the discrepancy between the objective facts of exploitation and the subjective defenses, we turn to one or two answers to the charge of exploitation. First, to the reply that in our society workers do not get their "full pay." Clark tells us that these workers "tend" to get the worth of their quota. "Tend," of course; if they get anything at all, they "tend" towards their full pay; but how close is the "tendency," and are there forces "tending" permanently to keep them from getting their full product? This latter half of the investigation is quite as important as the first half. To stop with the answer to merely the first half is to set a trap for the unwary, is to utter a half-

truth that is often more misleading than no truth at all. A solution which, by confounding different things under the same name, "tends" to identify the wages actually got and the "full pay" is hardly a satisfactory answer.

Further, the common answer denying exploitation invokes an illusory individualistic psychology, the surface psychology of free contract. The wage-earner, it says, enters the contractual relation, free and independent. He bargains for and gets the full market value of his labor power. If he is dissatisfied with the contract, he is free to break through it at the end of the period — indeed, in individual cases he may quit work at almost any time. In such cases, say the interest defenders, there can be no question about the foolishness of the charge of exploitation. The case is the same with the enterprizer, the renter, the pure capitalist; they enter into free contracts with one another and with laborers; in such a relation, exploitation can not arise.

One needs not repeat here the objections on page 121 to this fanciful or schematized picture of real life. The conclusion is in the premises; but the premises being untrue, the better the logic, the worse for the conclusion.

Since the conclusion was drawn only in order to be applied to real life, real life must be its touchstone. We have already seen the conditions of the actual struggle; competition,— on one side for bread, for the means of subsistence; on the other, for profits and interest; empty hands versus full hands. Outer forces rule the psychology of free contract. No profits, no interest, then no production; stand pat; 'the capitalist may change his mode of life,' and in fact does so. "He (the worker) will do anything so long as he can support life." Thus, in a strike-struggle between the two, freedom asserts itself; in a week or so the workers proudly conscious of their freedom tumble or stumble over one another to mill, mine, or factory; equally free the capitalist awaits their coming; the free contractual relation is entered into; profit, interest, and wages again emerge; the capitalist again changes his mode of living, and the laborer, his mode of dying. There

is no possibility of exploitation here; it is the divinity in man voluntarily binding with celestial humility his god-like quality to the narrow limitations of space, time, and physiological relations.

Thus if freedom and equality between individual laborer and capitalist in the contract relation are merely fanciful, "fairness" in wages and in profits must mean the existence of some sort of general scale; "intuition" in these matters is an idle word. One can easily see that scales established under the conditions of the contests are certain to register forces permanently against the workers. Much in profits and all of interest are the proof. Privileged classes always have supported their virtues out of the labor of others. Or the matter may be tested by the idea of a social labor state; (vd. p. 120). In this labor state, of which it is no more utopian to dream than to dream of our society reaching the ethical heights of our professional moral teachers, reserves must be had; it must pay administration costs, support schools, sanitary organizations, incapable and aged members of the state, and so on. But labor for such purposes, where the product goes to the community and not by subtraction of a part to the benefit of a class of exclusive owners, can not be called an improper deduction from the full value of the labor expended.

Tested by the conditions of actual life, and by the ideal of a labor state, judgment must issue that in our society labor does not receive its full pay. In a narrow sense the enterprizer is innocent as regards the interest on his borrowed capital; he is constrained to pay this interest; otherwise, he does not get the capital to use. But the enterprizer is working for himself. A labor market of relatively empty-handed laborers, he finds in front of him; a similar market for capital; a police and army-guarded institution of private property. He sees a chance to make a profitable combination of these elements. He embarks upon the venture. That he in the long run benefits society in many cases is nothing to him. This only means that humanity as a whole seeks and presses

more or less desperately and continuously to get as far as possible from physical necessity, to get nearer and nearer to a higher and finer existence. That the enterprizer subserves this demand does not exclude the fact that he reaps undeserved gains and undeserved losses at some one else's expense. Regularly, he must calculate for profit and for interest, and must fight for them. That in the centuries the world has so increased in wealth, which is seen to be so largely concentrated in a few hands, clearly shows that the undeserved gains have surpassed the undeserved losses and have inured to the few, but always that they arise by the spoliation of the many. For the relatively fixed scale of wages and general prices, according to which the enterprizer schemed out his venture, could not possibly be flexible enough to allow the workers to participate properly in either the gains or the losses.

As to the interest-getter pure and simple, the case is even clearer,— he does nothing. "What," exclaim some persons, "Interest-getters do no work; why, look at their cares, their anxieties to avoid misinvestments! What labor they must put forth to guard against mishaps, false judgments, and such failures as will sweep away all their capital, and thus reduce them to the ranks of the wage-earning proletariat!" Observe the numerous business failures, and with Prof. Fisher be rather pleased with the phrase "from shirt sleeves to shirt sleeves in four generations." But observe further however that this is no denial of spoliation. All these capitalist-labors are the search for spoliation opportunities, this and nothing more. That the capitalists often fail means only that their particular exploitation venture miscarried; this does not cancel the exploitation involved in every jot and tittle of interest.

For the most part the capitalist as such is confounded with the enterprizer. What then is the function of the enterprizer in social production? Much rests upon the answer to this question. Not superintendence and ordinary administration; these are purchasable at various rates. Well then enterprize, progress, in a word, initiative. Now it is true that our society

does seem to place the initiative largely upon the individual; he is to see the chance, and apparently "at his own peril, not at society's, he must exploit it." And it seems probable enough that any differently constituted but progressive future society must find a stimulus to initiative and the corresponding experimentation. But observe that this defense is partly circular, and also that it does not exclude spoliation, nor does it find any productive function for the pure capitalist. It is partly circular, because law-guarded exclusive ownership that can wait, practically forces others to come to the holders; these allowing the project to go through claim to be the forwarders of progress. Facing the holders is the army of the dispossessed waiting for the command; but the holders always try to minimize the costs of the experiment by pressing on the wage scale. That they at times forward progress is no merit of theirs; their quest is, not progress, but gain; progress is only an accidental by-product; much more are they initiators of vice and degeneration,— the psychology and decadence of the wealthy is historically proved in individuals and in states. The interest-getter as such has no productive function, he is only a receiver, a consumer good or bad; as initiator, he is an enterprizer looking for gain by exploitation. Not that there are not many enterprizers and capitalists who are really noble men — they do not understand their position — but, the praises of the enterprizer are largely only appreciations of the greatness and the necessity of capital (machinery) and of intelligence in the economy of an intricate social organization. Appreciation of these things is not a proof that present society has found the most effective combination of these factors.

It is false then that the workers of our society get the "full value" of their product. Averages "from shirt sleeves to shirt sleeves in four generations" do not eliminate the spoliation running through the four generations. The statement, often urged as a defense of present arrangements, that eventually by competition all labor is benefited is no denial of exploitation, it is mere palliation; it admits present spoliation,

and this is the significant point. The palliation is much as if the slaveholder said to his other slaves:—"Behold, I give you some of what I got from my slave, Theophilus. Is not slavery a beautiful, self-correcting institution? See, how you all participate in its benefits." Indeed the cases of the slave and the wage-earner are much alike; army and police law supported the master; army and police law support the capitalist. The slave was exploited openly. The wage-earner is exploited circuitously in the dark. Essentially there is no difference in the kind of exploitation, or in the causes.

Not unnaturally do capitalists and the defenders of capitalism fall into illusions about the exploitation of the slave and of the wage-earner as such. Our society on the surface fosters the belief in freedom and self-dependence. The man of business affairs, for the most part ignorant of the historical development of society and of social and sociological principles, feels only the pressure of present practices and the business tendencies about him. He is in the midst of his own struggle for existence with surrounding forces. Outside he finds men seemingly clothed with independence, but weak, heedless, unreliable, incompetent, lacking initiative. The slogans, "each for himself," "experience alone is the great teacher," "the fittest survive," "real manhood is from within, and only such manhood has intrinsic worth," he has heard directly and indirectly so many times, that consciously or unconsciously he acts upon them. Indeed the conditions of the surrounding struggle force him for the most part to the acceptance of them as principles of action. Besides this, he finds also a slavish subserviency in many, a readiness from self-interest to forward his schemes; the greater his success, the greater the subservience and the more slavish the attitude; the more his practices find acceptance, the more ethical, that is, right and proper, they become. As a result the psychology of the lordly class is generated with a whole system of corresponding ethics. As the king can do no wrong, a thousand satellites and parasites whisper or proclaim it to him day by day, so a king can not exploit any one in his kingdom.

A like attitude but with declining pretensions characterizes the descending scale of the nobility. These people can not conceive themselves as bound by any such principle as a labor contribution on their part to the production of the goods they consume. A corresponding slavish psychology is the counterpart generated in their subjects. An analogous psychology exists among us to-day. Though the slave willingly as it were accepts and may even glory in his servitude, he is exploited none the less. And though to-day on the surface, the appeal is made to freedom, self-dependence and so on, every one who wills to see knows that in vast mass the freedom and the independence are chiefly words only and not real facts.

As a large social and sociological fact, the problem is surely difficult enough. There are, in humanity generally considered, great and insurmountable differences mental and physical between races and between individuals of the same race. Different creeds and cultures reflect these varied material, physiological, and mental foundations of social structures. Between races arise manifold problems similar to "white men's burdens." Necessarily, economical and ethical relations must alter from race to race. Various ideals arise concerning such interconnections. Something similar to this holds between the individuals of the same race. These are the records of history, which at the same time demonstrate change.

Any one in our society who stops his reflection merely at the facts of the heedlessness, weakness, and the lack of responsibility of the great majority will sympathize with the impatience of the enterprizer, and will readily seize upon the words,— "there is no exploitation, it is all their own fault, let them pay the penalty." And he will be as nearly right as is the customary judgment upon the social evil, prostitution. How many of the smugly self-satisfied who so readily say, "it is all her own fault, let her pay the penalty," know that the prostitute is a necessary product of our capitalistic society? How many of them know that the body and the soul of the harlot are

"withered and sear" almost to the center because of economic want? This paid woman of pleasure who violates all feminine instincts and training is often at first, like Fantine in "Les Miserables," the love-beckoned victim of her truest femininity, and still like Fantine preserves to the very end a taintless purity; more often she is the prey of hope caught in the meshes of a profit-seeking chicanery and violence; still more frequently, duped by ignorance, dulled by stupefying surroundings, starved by insufficient pay, in short, broken by economic want, she is coaxed, urged, lured as a dumb animal to the shambles. There, every element of personal dignity outraged, she is day by day blasted by the passion and the contempt of those who use her and yet brutally trample her under foot. Her bitterest poison is drizzled over her by women who are reared in such mist-laden idealities as to lose touch with the actual world. These, bewildered, disgusted, filled with blind pride — God, how I thank Thee that I am not such as she — shrink repellantly away and even draw back their skirts at the mere sight of the harlot, instead of seeking with compassionate understanding to aid the fallen. What woman needs is less individualistic private property consciousness and more sex class consciousness. It is easy to see that woman armed and defended with her own ballot would avail much in the long run to remedy masculine legislation bungling for ages in this matter, the capitalistic form of prostitution. To say "it is all her own fault" stealthily satisfies self-esteem and saves much thinking besides. But the fact is, according to repeated declarations of welfare workers, that the heart of the whole question of prostitution as a social problem is economic poverty.

The like is true of the weaknesses of the multitudes of the labor army as contrasted with the unresting enterprizer. But as in the old kingly economies, a corresponding psychology and ethics are born, so a different psychology and ethics arise as labor becomes more conscious of itself. To-day the economic status of labor is changing, and the ethics change accordingly. Hence to-day our ethics seem to demand the

creative contribution labor test. Newer economics have superseded the divine kingship test, the caste or birth test. Our economists labor to satisfy the production test. Another ideal is generated. Nowadays we hear much of the duties of wealth. A call is made that these "stewards" perform other and more productive social service,— mere consumption and distribution by consumption seem not to fit the case. Slowly but surely the idea makes its way that genuine nobility of culture (not waxing on the degradation of other men) can root only in the self-maintenance of its holders. The nobility of labor supplants the nobility of birth and of caste.

MARGINAL UTILITY REPLY

The Austrian marginal utility school however has originated the wiliest of all the defenses of interest-taking, the most refined attempt to cancel the objective facts on which the charge of exploitation rests. Boehm-Bawerk is one of its greatest exponents. He rejects exploitation emphatically. The choral song of his followers swells down the gale. What then is this subtlest of all defenses, which seems to achieve the impossible, namely, by mere thinking to abolish objective facts?

At the basis of Boehm-Bawerk's critical rejection of all former interest defenses lies this theory of final or marginal utility. Especially is this in evidence with physical productivity theories; he in part turns the edge of the productivity doctrine by distinguishing between value-product and physical-product. Fisher too follows and adopts this point. Though the physical product is increased by improved processes and tools of production, yet since in general the larger the supply, the less the value per piece, it may well happen that the increased product does not have a correspondingly increased value. 'To assume that it does have a value increased in due proportion is to beg interest;' says Boehm-Bawerk.

This doctrine has already been seen in one phase, namely, as applied to the valuation of present and of future goods.

But to repeat more generally. Individuals differ in their valuation of the serviceability to them of various goods. The final consumer in a market open to all is the ultimate judge and determiner of values. The valuation which the final consumer puts upon an article expresses for him the usefulness of that article, and so far forth, this fact decides how far all the preceding processes and tools of production have any value at all. If the article fall absolutely dead upon the market, then it is valueless, and every bit of labor and material contained in it is an economic loss or waste; unless, indeed, the article can be turned into some other than its originally intended channel, in which case its value is that which it obtains in this new use, and this value is then imputed and distributed along the whole line of its production processes. Present values are the only real values. No living man can tell what will be the value of the future goods resulting from his present labors. Value of future goods is a speculation, is guesswork, is a gamble in futures.

How can the wage-earner be defrauded of that which has yet no existence, of that whose existence itself as well as its amount is entirely problematical? The only real values are present values. Free exchange by fair competition in the open market determines the present value of labor power just as this same open market determines the present value of the finished and unfinished products of past production processes. By exchange, the wage-earner enters into contractual relations with employers. If he be dissatisfied with his bargain, let him make another, or seek his economic salvation in a different field of free activity; all are open to him; he is not a serf or a slave. The wage-earner surrenders every right and title to the non-existent future value of the results of his productive efforts. What is done with his power and what results from his activities, he has no more concern with, than he has with the agricultural products of a farm in Mars or in the Moon. Rodbertus and Marx, we are told, simply deal in sophistries, and are intellectually and ethically blind and dishonest to assert that the wage-earner is despoiled.

They are stirrers-up of factional and fanatical class hatred and strife. They keep labor and capital apart, are at bottom enemies of the dependent poor, are assailants of the welfare of society. Whereas the wage-earners should be grateful indeed, that there are those ready and willing to breast the tempests of future storms and changes of value, while they, the workers, are sheltered from these distressful disasters. All progress is owing to these heroic, energetic souls; the peaceful, vine-clad cottage and fig tree of the worker (if indeed he possess such), is guarded by the dauntless breasts of great-souled capitalistic enterprizers. Exploitation charges are an absurdity of the first degree.

In like manner net interest exploits neither enterprizer nor worker; — not the worker, for, as above, his only concern is his wages; not the enterprizer, for in net interest the enterprizer pays the merely holding capitalist the current present value of capital as such. There is open competition in the capital market. The contract calls for the eventual return of the capital sum plus the current price for its use. The capitalist discounts the future. As such, the capitalist has no concern with the products, their value, or their disposition. He neither defrauds, nor is he defrauded. The enterprizer is free to embark or not, there is no compulsion about the matter. He, too, is or may be, a freeborn American king. A similar statement may be made of the holder of land, the receiver of ground rents.

CRITICISM OF FINAL UTILITY

This theory of value, its origin and measure, has become so strongly intrenched in our college text-books on economics, that it may justly enough be called the dominant or modern economics.

At first sight and on the surface, this reply seems tolerably conclusive. If one is required to accept the words of the bond, and is not allowed to go beyond the letter, then tears and bloodstains from heart throbs of misery do not spot the white ermine, the ethical purity of enterprizing capitalism. All is "desirable and morally justifiable."

It is a favorite shibboleth, the old cry, "Truth is mighty and will prevail." It is bandied to and fro against Marx; it is hopefully rested upon by those who preach the ethical saving graces of capitalism. It is especially needed for the present case, since this marginal utility theory is a birth or a discovery of the last 25 or 30 years. Over all the aborted or misshapen monsters of former interest theories, the newer theory has worked its way to influential station, to the place wherefrom is clearly visible its ethically pure and radiant splendor. However let us venture a little to look into its antecedents. Certain of its features have a familiar aspect, and we think to discern more or less dimly through the haze still other well-known lineaments.

Notice first the old friends, exclusive owners, empty-handed laborers, the free, equal, independent contracting individuals. Once more these stand forth clearly, or from the darkness move the masqueraders. Once again a socially born property right seeks to override any other similarly born and socially guaranteed right; or otherwise expressed, it seeks to press its claims so far as to make itself unlimited, and thus under the guise of eternal truth and ethical purity, to cancel other rights. There is no need to repeat the former criticism here. "He that heareth, let him hear."

The psychology it assumes is that of a being who knows only of momentary present desires and their gratification, as if these desires were not conditioned by external objective elements. The marginal utility psychologizer appears as a creature whose decisions rest only upon the purely personal fiat of a will free in the fullest sense of the term. Thus wage-earner, peddler, merchant, banker, millionaire, capitalist, all appear upon the open market. Open markets are supposed to make each participant aware of the essential elements of the total situation and thus to guard against cheating or "unfair" gains. All in the market have their subjective valuations of the goods they purpose to exchange. All are alike free to seek their economic gain. All are alike free to accept or to reject any and all offers tendered. They make

their contracts as best they can. Exchanges are effected. Values emerge, guess values for intermediate goods, final values for consumption goods.

Still normal or market values do become established. The buyers and sellers appearing in the market are not wholly dominated by the desire for concrete utilities for their own direct service. Final consumers may feel this to be their main consideration, but "much the largest part of the possessions of the community" is "inchoate wealth" (Taussig), that is, is not consumption goods. Gain is to be had, and even the final consumer is not wholly free from this desire of gain. Bids are made by buyers and sellers. Instantly the status changes. A mass of subjective valuations vanishes heated hopes are blasted, fairy dreams go awry. Then there is higgling on the market. In the end, by competition between buyers and sellers who happen to have upper and lower limits to their valuations or prices, a value or price is found which clears the market. This is the marginal price and the market value. Sellers, who demanding more, can not or will not sell, and buyers who will not or can not give this price, are excluded. The exchangers exchange and withdraw; those excluded — they also withdraw. The market for that day or that moment is closed. This process repeats itself every hour of the day for every sort of salable article in the markets of the world. A normal marginal market price or value for every article is thus established in every market.

VALUES ARE IN A SENSE IMPERSONAL

These exchange ratios are, on the surface, results of the momentary determinations of free individuals, yet in this open market of the day, a mass of arbitrary personal valuations is blown away. The first real bid clears the brain of a thousand hopes, fears, and fancies. The individual finds himself balked more or less by the desires of other persons. These place barriers to his arbitrary choice. Individualistic psychology crumbles. But all this is still merely on the surface. Why are the limits of the values of the actual exchangers

what they are? Why are some unable or unwilling to accept or to reject, to make or to refuse to make bids or offers? It is not mere arbitrariness on their part. Why are so many excluded from the market and what becomes of them? Thus, it seems, the pretty citadel of an exchange economy is the central point of stormy external forces. The free exchange is bound by outer determinants. In a word, the origin and the significance of exchange psychology are in debate. The whole question of interest and exploitation is removed from the neat showcase of individualistic psychology and is brought into the realm of material and psychological actualities.

The marginal utilityist who accepts without question the right of private property, free contract, equality, free and independent self-determination, free competition, open markets, adequate knowledge and singleness of gain-purpose, is at perfect liberty to schematize under the same heading, the bargains of the millionaire glutting his fancies, and those of the wage-earner dodging starvation by a day or a week. With Prof. Fisher, he may count everything coming in as income. He may place the idle momentary whim of the plutocrat or of the spendthrift in the same category as the laboriously reasoned-out decision of a long-headed person seeking to frame a scheme of continuous economy to cover years, and to result in a vast material or spiritual uplift of self, family, or society. A Gutenberg bible, a painting by Hals, a Hope diamond, a slave (man or girl, especially girl) — these are on a level with wheat, beef, cotton, oil, iron, copper, carpenters' tools, steam engines, and fertilizers. The schema of value must take in all these exchanges; the formula must cover all, no matter how much it may distort, or wholly fail to elucidate significant social relations. On the surface, the theorist deals with choices and exchanges. Thus the utility psychologizer aiming at a generality so wide becomes so superficial as to annul for the moment the social origin of the very psychology he schematizes, and to blear the social

significance of the forces creating the situations he seeks to formulate.

VALUES MAY BE RATIONALIZED

But for social judgments, the important questions are whether all these valuations are of equal importance, whether they may not be discriminated, what are the outer forces controlling them, what are the social results, in short, whether or not, even in our exchange society, individual valuations might not be subjected more or less to a rational social control. Now the distinction between fad and fancy articles and staples is not without reason and significance. It is of course not easy to draw the line with close mathematical accuracy between necessaries and luxuries — there is in fact no such line, only areas more or less broad for different economic classes and different temperaments — but easily enough the vast majority of the material products of a continuous economy can be separated into staples and "fancy" goods.

There is no need here for severe mathematical accuracy. Accordingly, as being at hand, we took a "World Almanac," that of 1910. From this the exports of the United States amounted in round numbers to 1,670 million dollars. Now one would hardly call "agricultural implements" fancy articles, nor "coal," nor "copper," nor "fertilizers." On the other hand one might perhaps easily enough find fancies among "animals," "copper manufactures," "furs," "marbles," "malt liquors," and so on. Make a fairly liberal division in favor of fads; say, of 7 million for "rubber," 3 go for automobile tires of the rich; or of 22 millions for "animals," let 5 go for "fancy" animals. Call all "furs," "fancies" or "luxuries;" of the 147 millions for gold and silver, call 50 millions for "fancies." Thus by roughly guessing, liberal to fancies, get a division and sum it up. Of the 1670 millions, you will find 140 millions for "fancies," that is, less than 10% of the total exports were articles of luxury. Treat imports in the same way, but be much more liberal in favor of luxuries; count all "furs," "wines," "art works," etc., as luxuries, and find that less than 20% of the total imports can be counted as

luxuries. Of the world's production of gold about 25% goes into the arts, call this luxury; the rest goes into money. Something less than one-half of the world's production of silver goes into industrial or art uses. Factory products of the United States in 1908, summed up to 115 billions of dollars — factory products are hardly likely to show a high percentage of "fancies." Coal production in United States, '07, $662,000,000; Crude petroleum, '07, $490,000,000; no fancies in these. Mineral products, '08, $1,506,000,000; $50,000,000 "fancies" (gold and silver). Tobacco, '08, $74,000,00; say $25,000,000 for "fancies." Oats, $381,000,000; Corn, $1,606,000,000; Wheat, $617,000,000; how many "fancies" here? Farm products, '07, $7,412,000,000. Domestic animals on farms, $3,000,000,000; not on farms $214,000,000; 6% as "fancies" would be rather generous. Cotton crop, '08, $681,00,000. Hay, $635,000,000.

Thus one sees that whim, fad, and fancy articles, luxuries, in short, can consume but a relatively small fraction of the products of the business and of the exchanges of our day. We shall feel greater confidence in this conclusion, if we remember that luxuries are for the rich. The number of the rich is small, and their final consumption demand can be for only a small fraction of the whole output. "Two per cent. of all families of the United Kingdom own 75% of all the wealth, while 93% own less than 8%. One per cent. of all the families of the United States own more than the remaining 99%; 87% own less than 12% of all the wealth." (Fetter.) The digestive or direct consumption powers of any one however rich are after all quite limited. The overwhelming majority of consumers are the poor and the lower middle class. Goods must be made for them, and social values must in the long run be determined by them. From this, one sees that products and their values must in the average conform with the permanent recurring wants of the multitude. Outer conditions dominate the psychology of buyers and sellers. It is among these causes, not amid the irridescence of the act of exchange, that

one must search for the factors of value, of interest, and of exploitation.

The distinction between staples and luxuries and the immense difference in their total amounts, merely express the fact that a complex continuous economy is utterly impossible, unless the mass of social interrelations be dominated by more or less calculable rules, norms, or principles. Society must bottom on rational foundations, that is, upon practices and connections which are external, objective, such that pass beyond and quite completely control the individual. Thus in values the effective demand at any particular moment for any kind of article rests upon the ability to pay. This means that external forces determine this or that person's economic power: this fact of course is reflected in his psychology. Hence even final consumption goods, whose value is alone final according to this school, can not have a so-called final value apart from preceding general objective tendencies. Thus a pleasure ride in train or in trolley is a final consumption of some element of the transportation system used by the pleasure seeker; but the price put upon the ride presupposes a million-fold set of relations which have had and are still to have a continuous existence. The food on the table of the millionaire, as well as that in the hands of the travelling construction crew, presupposes the same idea. The valuations of buvers and sellers, seemingly so arbitrary in momentary acts of exchange, are molded through and through by such facts and objective principles. Even the luxuries and fancies of the rich are subject to like influences by no means disregarded by the rich themselves. A continuous intricate exchange economy even as regards final consumption values or luxuries is impossible, if producers have no calculable rules to work on. Chance "finds" can support no regular social system. The case is infinitely stronger as concerns staple goods.

The situation is entirely like that of life insurance. To insure or not to insure seems quite as arbitrary and indeterminate with this man or that as a utilityist psychologizer

might desire. The subject is free to insure or not. If he insures, he stakes to die within a certain time. The company takes the other side. No power on earth can tell when the man will actually die. Yet insurance businesses thrive. A carefully and honestly managed insurance business, especially if on a large scale, can not possibly fail. Production of staples stands in exactly the same situation. There may be individual failures here and there, just as insurance companies are hit now and then by vast or concentrated disasters; but in the long run, production for a continuous exchange society is impossible apart from general calculable elements or principles. On the other hand one may at times see large fortunes won by some fad or fashion article, a trick toy, a style that catches the popular fancy and so on; but the importance of the sum total of such successes is as the water in a brook to that in the mighty ocean. They affect social values as little as a pistol shot effects the success or the failure of a large insurance business.

Monopolies, especially those concerning staple articles, give striking illustrations how thin valuations are, which seek to appear as freed from the constraining power of objective factors.

It is at once acknowledged that a monopoly however complete and powerful even as regards staple necessities, can not do everything. It can not for instance at its good pleasure create a body of effective demand that will take off its staple article at any price however high, nor can it at its good pleasure continuously offer it at a price below a certain limit. Though powerful, a monopoly is still not a god. Even a monopoly must regard some limits. Within these limits a selling monopoly sets a price, a value, for the day, for the month, or for a season. Some or all of its product is taken by the effective consumers. In nothing but the surface employment of the word can the valuations of the final consumers be said to be decisive here. It is true the buyers or the would-be buyers will turn every way to find substitutes for the monopoly's product. This means that they seek to

constrain or to break the monopoly by bringing external forces to bear upon it. They as well as the monopoly are under the requirements of a continuous economy. The monopoly may, if it will, slay the golden goose, but not so a monopoly seeking its long-run economic welfare. Hence however one may writhe or struggle, always at a given moment exchanges are dominated by external forces, which then and there control the individual exchangers and their psychology.

The like applies to a buyer's monopoly. Often enough it happens that a producer is constrained by the situation of his place of production and by the nature of his product to sell to certain classes of buyers. Often enough these buyers are not the final consumers of the possible final consumption product which they buy. They can however more or less dictate the price paid to the seller-producer. He is constrained by life demands to maintain a continuous economy. The buyers likewise will not slay the golden goose. Hence on both sides consideration must be had of the external determinants, which here are to the individual that is to hold on almost of the character of natural necessities. A monopoly may be broken eventually, but for the time of its power it is a conquering force — not because of its mere will, but because of the outer forces which it wields. The psychical valuations of the individuals subject to its domination are at that place and moment mere surface glitter.

The delusiveness of this consumer' value as resting upon merely psychological grounds is further evidenced by the tendency of production to rule consumption. This means that consumers must take what the producers offer to them. This is especially the case with the vast majority of persons, the poor, "the dependent and worthy poor," and the lower strata of the middle class. In brief, markets tend more and more to become world markets. Products for a world market can not be finished and furnished in a day. Let the producers of staples be reasonably long-headed and they determine what the consumers shall have. They estimate on

various objective grounds the probable purchasing power of this and that class of society. For these classes they produce this and that grade of article. The arbitrary decisions of individuals are thus wholly excluded from considerations. If times and signs look halcyon, the producers take larger risks and furnish a greater supply; if times look uncertain or stormy, the wise go slow. But in all cases it is objective non-individual influences they consider. Man must eat, must have shelter and clothing, must have more or less of enjoyment. These are natural necessities, and that too from season to season, from decade to decade. These things determine. Arrangements, valuations, and values of both buyers and sellers, lose individual significance. They are socially determined.

This same idea of calculable objective elements in human economy is of course the basis of reservoir and storage systems. For example, whether it be water for the daily use of a city or food products from the cycles of nature in grain or other similar supplies, the principle is the same — a continuous economy contains persistent elements which must be reckoned on. The periodical fluctuations of a water source and the distribution of the water are one foundation layer of a water reservoir. Another layer is the steady need or demand for a regular supply of water. The subjective momentary valuation of water by an individual may vary from that of a man dying of thirst to that of a person in the throes of drowning. For a continuous economy these cases are insignificant. Whether each or both of the men live or die is of only infinitesimal force on the total situation. But production for world markets, or for larger markets in general, is an impossibility without an abundant and reliable water supply. A large city or an industrial establishment is ruled by this factor as by natural necessity. The existence and the properties of water determine the situation on one side. The constant and recurring needs of man condition it on the other side. Individual psychology in this case is conditioned by both. Valuations and values are determined by the ob-

jective relations The like applies to grain elevators and similar warehousing undertakings.

There were times and economies when consumers' values did more plainly rule the world. In the household economies of various ages, in the medieval city or guild economy, production was largely governed by consumers' direct wants. The Greek and Roman households were self-sufficing. They produced mainly for their own consumption; their consumption ruled their production. The like was also true of the guild and city economy of the middle ages. At that time, the households of the Roman empire were gone. New social arrangements and institutions had arisen. But consumption yet ruled production. Tools were relatively simple, were relatively easily controlled or duplicated. Markets were small; for transportation ways and means were incapable of large services. Customers could oversee and determine within limits the character of the product they wished to secure. Consumers' value was here in a sense final. Yet even here it was not without limitations. Medieval industrialism was largely ruled by two considerations; namely, a fairly reliable and decent living for a craftsman, and reliable genuine goods for consumers. The values given and paid were mutually conditioning and were determined by the objective economic forces.

It would almost seem as of the marginal utilityists in their desire for finalities of psychology had caught up from former days the consumers' value idea as showing a phenomenon similar to exchange psychology of to-day. With their zeal to discover unchangeable elements in human nature, they cling to the surface similarities and omit to notice the profound difference in the social psychology and social institutions. They have sought to overturn the old classic school of economists, but they must yet manage to throw the emphasis elsewhere than upon individualistic psychology, if they are to explain deeply the social aspects of their problems. The day of consumers' values as decisive is past. Markets tend to become national and world markets. Productive proc-

esses become longer and longer, as Boehm-Bawerk emphasizes again and again; this fact, he makes to be one of his pillars. Prof. Taussig tells us that much the greater part of the social labor of a day is put upon goods of no direct consumption value, which will in fact issue in consumption value only after years. It seems therefore to be trusting merely to the pleasant surface neatness of the complete schematizer, if one seeks security in the assertion of the decisiveness of the final consumer's valuations. It were perhaps idle to expect from the neat schema any penetrating explanation of social causes or effects. The long roundabout processes can hardly keep on growing in our society except upon the basis of permanent calculable elements.

This same principle of rationalized economic and social procedure applies to the "derived" or imputed values of productive instruments, auxiliary material, and applied labor. These things, they tell us, derive their value from the value of the final consumption goods, which they together create. The final consumption value is the thing; until this final value be known, no value can be attributed to the intermediate goods; after the consumption value has emerged, this value is distributed by imputation along the whole line of auxiliary instruments and possessions. Similarly with the labor employed upon intermediate goods. This too is at the moment of application truely valueless as regards consumption goods. At best, its real power to contribute a valuable element to the product is a mere hope or guess, which value can in fact be ascertained only after the final sale has been made. If at that time the guesser show himself to have guessed well, one may safely impute to the labor stored up in the product a real value. If the producer guessed ill, he may either have made unexpectedly large gains, or have suffered great losses. In neither case can the laborer complain; for, after all, the labor value which he sells is determined by competition wherein his sale is a final consumption sale. He has really nothing to do with the imputed values at all. It is here of course, especially as regards the labor bestowed on intermediate

goods, or goods which never come to a final psychological consumption, that the utilityists think to turn the edge of Marx and Rodbertus, and to nullify for all time, it would seem from Prof. Smart, the charge of exploitation.

One may add to the above another complexity which might more properly be treated in another connection, namely, the alternative uses of various goods. Boehm-Bawerk himself has dilated upon these alternative uses, and Marshall has unfolded himself upon the substitution of similars. "The alternative uses of economic goods" means that an economic good can be devoted to various employments. Gold may be made into coin or into an earring. Steel may be made into needles, bridges, skyscrapers, tugboats, 15-inch guns, or into battle ships. Thus however much the bridge-maker may desire some or all of the present supply of steel, his valuations are conditioned by the needs for 15-inch guns, battle ships, engines, and so on. Or in the other case, if the builder of a house can not get marble, he may take granite, or brick, or concrete, or wood; or if he feels himself too aggrieved by the monopolist, he may seek a substitute for the monopoly product, either to avenge himself on the monopoly, or to escape its clutches, or perhaps to share in the gain from the usefulness of the substitutionary article. From this it follows that the value to be placed upon any good is by no means a simple problem. Especially is this the case of the value "imputed" to any intermediate goods that may have alternative uses, and to the labor employed in connection with such complexly useful intermediate goods. The longer and more roundabout the processes of production, the more speculative and indeterminable do values become.

By contrast it is entertaining to observe the attitude of the owners or possessors of things having only "imputed" values. They hardly accept this merely speculative, guess-like derivative value of their goods. On the contrary they regard their goods as having a highly real indubitable value. In unnumbered cases they see in their goods the fruitful source of thousands of final consumption values. They know

quite as clearly as the final value economist, if not more so, that if they combine their goods having "imputed" value with labor having "imputed" value also, a rich stream of final values will issue with all the certainty of fate and natural law. With superb grimness they will fight to the last ditch for these guess-like speculative values. The holding banker, profit-making at both ends of a "squeeze," and an A. T. Stewart purchasing "bankrupt's" goods, show their knowledge of solid values.

The answer to this representation of imputed values, of alternative uses, and the explanation of the attitude of the owners of intermediate goods have already been given. Tersely put, the elements of the answer are: — the physical and chemical relations of external material nature are regular, reliable, they can be depended upon. The psychological relations of man to nature on which his economics depend are likewise subject to impersonal law; though much more complex and intricate, they too can be depended upon; the more we know of them the more dependable they become. Consciousness for the most part in each of us is but a fragmentary distorted representation of these external regular coexistences and sequences. The complexity of the marginal utility economics arises from the attempt to combine harmoniously these million-fold individualistic and distorted representations, without taking an adequate view of the external forces determining the psychology of the individual.

Subjective Values Rest Upon Material and Psychological Necessities

When one grasps the fact that the innumerable physical, chemical, electrical, thermal, and other material relations in outer nature represent constancies which penetrate human economy through every fiber, he has got hold of certain elements which make value even in an exchange economy a determinable thing. When to these he has added the constants of human physiology, food, clothing, shelter, sex, he has additional certainties; these make the problem more complex if you will but not impossible. When to these he

again adds the mass constancies of human psychology, he has again complicated the problem, but he has not cancelled the constancies. When to these he again adds social and institutional influences, he further entangles matters. But it is easy to see that it is the external constancies which are at work at all times, and which are the more calculable. These therefore are the points as it were to which the psychological and social forces are attached. It follows that "imputed" values, whether of material goods or of labor, are not so bizarre and irreducible as the utilityist would have us think. This consideration cuts the nerve of the Austrian criticism of the charge of exploitation. Reason, which is competent to work out roundabout processes can just as safely work out substantially solid evaluations of labor contributions which shall be as real as any reasonable society can desire.

These forces and their constancies, external to man and also to the consciousness of the individual, stamp themselves upon the racial and individual physiology and psychology. Transfigured as it were into conscious and subconscious motives, or into organic instinctive impulses, they constitute the lines along which motor and ideational activities discharge themselves. The individual is constrained by them, is dependent upon them, however little he may be aware of his dependency connections. In this, he is just as a child who without reflection depends upon parental all-sufficiency. The child's self-will may play above this support; he may even at times unwittingly seek to cut loose from it; but physiological weakness and social bonds educate him to the acceptance. At a later date he passes on to the school of life. As man, he still is bound by indissoluble ties. In a few cases he becomes fully conscious of the many threads of his dependency but for the most part not so. He remains bound for all that. His surface psychology does not clearly represent these facts but the facts control him notwithstanding. The laws of physical nature, the physiological and social needs of a continuous human existence, are natural necessities, even in an

exchange economy. The values of an exchange economy can as little escape them, as can an aeroplane or a dirigible balloon escape the power of gravitation.

By contrast one sees more clearly the state of mind of the utility psychologizer. He expects or presupposes a continuance of our society practically unchanged. The subjective aspects of exchange are open to all and are striking enough. He stresses these aspects. He slurs over the long-run almost subconscious governing power of the constants of nature. He omits to consider the influence of these constancies both in forming instinctive responses and in rationalizing procedure. He fails to consider how "imputed" values and natural constants appear in other economies. These things combined send him back to the individual contract idea, and thus he thinks that he has broken the force of socialistic criticism.

The thought that valuations in society may be relatively more fixed or stable than even the normal values of our exchange economy is often enough ridiculed. This ridicule rests largely on the ground that no social organization can be conceived in which differences in tastes, desires, ambitions, foresight, and self-control would not occur, and hence different offers on different conditions would always be made whose acceptance could not be prevented. Otherwise expressed, the objection says that in such a society a dead monotony and uniformity would inevitably reign. The argument contains the standard vices: it is mostly a mere circle; it over-emphasizes the startling or striking particularities of our exchanges; it fails to note social results; it assumes a variety in our present society which does not exist; it claims a knowledge of social results which rests not upon solid reasons but rather upon fancies and verbal contrasts.

At bottom the argument is most circular. When it calls up in imagination a new economy, it uses and can use only the economic processes and modes of thinking characteristic of our own. No one can escape the psychology by and under which he was formed. When we seek to picture the economic ideas of a Crusoe, of a Roman household, of a savage tribe,

of a gentile organization, we can do so only faintly. We must use feelings and concepts born of our own times; inevitably we saturate the imaginary society with our own idiosyncrasies. Finding it impossible to fit the new concept into the mass of subconscious transferred ideas, we straightway swing to the assertion of the nonsense of the new idea. We judge it and reject it because of the misfit. But we have for the most part only projected our present concepts into the picture. Not finding the new idea fitting into the existing present — otherwise it were not new — the projected present in the picture naturally rejects it also; it is a misfit. If after all we think of exchanges in a communal society according to the scheme of the exchanges of our day, and if in our day values are highly variable, quite easy is it for us to say that values will always be as they are with us. But this is merely repeating ourselves; it is as if we were running round in a circle.

We overestimate striking elements and forget the mass phenomena, just as in a crowd we notice the rather few tall persons much more readily than we notice the majority of average persons. But it is the average majority which constitutes the crowd; so with the mass of our exchanges and valuations. The dead monotony so feared for the future is actually existent to-day for nine-tenths of us all. This fact is underestimated for to-day, and is probably overestimated for the future, just as the variety of to-day is overestimated, while that of the future is probably underestimated. This fear of a monotonous future is in reality a pretense of knowing what no one really knows. It really begs the question A dispassionate review of literature down the line from the Vedic hymns or even fainter traces in the fragments from savages and barbarians will hardly show that life failed to prove to be a somewhat interesting matter to all our forebears.

The argument fails to note social bearings of any proposed change. Now the social spirit itself must change in part before a new idea or practice can get entrance at all. Forth-

with, new results work themselves out after the new idea has entered. Along with these changes economic and otherwise goes a change in the general psychology. This is the evidence of history. Hence the social result of the new thought or process may be quite other than any one would predict. The social stagnation which the argument boldly predicts may never occur. The argument rather appears to expect that a new force injected into society shall leave unchanged the psychology of that society; that is, it expects to maintain in a new society the modes of thinking and feeling appropriate to the old. This is mere beggary, and is contradicted by all history.

On the whole, one may safely say that the forces raining in upon a man are so extremely numerous, that any prediction of a dead monotony and of social stagnation resulting in the future from a relatively fixed labor value is worth not more than an indulgent smile.

It all seems clear enough. The utility schematizers deal with an intricate and much-tangled skein of interrelated phenomena. They must take some one point of departure, if they are to handle the matter at all. This, they take in their final consumption value of an economic good. They unfold the skein as well as they can linearly. Everything in their individualistic psychology passes through this point, and is causally referred to it. Usually the origin and the relativity of the starting point are not dwelt upon. The matter is already complex enough; hence a critical revaluation and integration are not gone through with. What with dropping limitations here and limitations there, the presented whole becomes as much a distortion as if one were to take the picture as the real, or were to regard a skeleton as the replica of the living man. It is largely thus by cutting a psychology off from its social foundations, and a psychological economics from its historical and social relations, that one gets such inept and circular refutations of Rodbertus and Marx as are often found. Indeed the ground fallacy of the greater part of the "refutations of socialism" consists of just this psy-

chology circle overworked. Look always for this circle, demand rational modesty concerning remote schematic details, and nine-tenths of these "refutation" vanish into thin air.

In this connection one may refer again (vd. p. 95) to Prof. Moore's "Laws of Wages." From this book one can readily judge that it would not at all surpass human power to fix with certainty schedules of values sufficient for reasonable administrative purposes; wage-scales among the rest. A supply of adequate statistics, treatment by appropriate mathematical methods, and the thing is done; revisions from time to time, as data and skill to interpret increase. Prof. Moore's case of the French coal industry is much in point. One of the most significant things about this case is the comparative steadiness of the relation between the mean daily wage and the value of the mean daily output at the mines. If an agreement so close as that given can be had, where all the aberrations of our theoretical individualism have play, it seems reasonable that still closer relations may be made out. This treatment, applied to a number of staples and necessities, could be made to yield "standard numbers," useful, not merely for theoretical explanations of the past, but also for directing future policies in a different spirit from that of the present. The problem is difficult but not impossible. The present method is persistent bungling by self-interested legislative empirics.

The preceding discussion should have made clear enough the general illusory character of the answer of the utility school to the charge of exploitation. In step after step the utilityist in his assumptions annihilates exploitation possibilities. The contract freedom and equality of the empty-handed over against the captain of industry abolish much; the surface psychology of exchange values does the same; the obscuration of constants, the omission of reason, the complexity of values from alternative uses and so on, all these things lead easily to the view that in theory there can be no exploitation. Only,— the historical facts remain. It were perhaps almost as easy to show that the slave who had sold

himself voluntarily (?) into slavery, suffered no exploitation. In schematizing, take heed to your presuppositions. With care and dexterity, you can build high, up from the soil into the zephyrs of Spain. Demand of the modern utility economist to see the objective foundations of their structures, and their castles straightway begin to crumble.

Restatement

The rather fundamental difference between the two modes of thought makes it desirable to repeat. Value, use value and exchange value, certainly mirror themselves in consciousness, whether the values concern staple articles or fads and fancies, whether they are those of rationalized demands or of arbitrary whims. What is certain is that the veriest whim is conditioned externally, and that fads and fancies are but as bubbles on the surface of the great deep. The exploits of even a Bavarian king are insignificant except as they are upheld and put through by outer forces. Thus then the external powers are in the long run the ultimate causal factors. These constitute the objectification of the subjective phenomena; or perhaps better, the subjective phenomena for the most part merely envisage the objective forces. According to this, subjective value is substantially the mental representation or image of exterior relations. There is no need to translate this proposition into either human or divine mysticism. One can of course plunge into the depths (or shallows) of metaphysics, but no metaphysics is meant here. Simply this; — logic-chopping, hair-splitting, abstract schemata have never yet cancelled man's need of physical sustenance. Food at one moment is external to him, at another moment it is internal, and at a still later moment, "disjecta membra" are again external. Block this process and the man dies. A natural necessity is upon him to maintain this transmutation of the external through the internal into the external, if he is to continue. This is merely illustrative of every phase of his life. Every aspect of his existence is conditioned now simply and directly, now complexly and indirectly, by external relations. The frenzy or vapor of the surfeited debauchee, the

last clutch at a straw by a drowning man, the empty drivel of the foolish or the insane, and the calm rationality of a thoughtful man, are each of them conditioned by external relations and in the long run by economic forces. Whim valuations presuppose a complete biologic and economic history and evolution. Whim values arising from exchange involve the whole social structure. Normal market values for the day and the hour, and the long-run values, the long-time averages of daily market values if you somewhat erroneously will, these also have their external prerequisites. Each case here represents a different alignment and superposition of forces. These different groupings of forces represent and constitute the objective side of values as mirrored in the mind.

The situation is this: — Man with a multitude of desires; external objects having qualities fitted to satisfy those desires; conditions governing access to those material objects; conditions governing the renewal of the economic supplies. All these pass more or less clearly across the stage of man's consciousness. He knows more or less clearly the useful properties of the external objects. He is more or less aware of the conditions governing his access to the objects. In his actions he may seem to make a purely personal choice. In fact he is constrained at greater or less removes by forces running from blind and overmastering physiological necessity up to those of seeming wantonness of choice, by short-run or by long-run considerations of an objective character. With one man the fear of want in his grandchildren may be as effective as physical starvation with another. The action of the former is as little free from external forces as the chess player's decision to accept mate in five moves springs from purely subjective considerations. The rules of the game control in one case, the rules of life in the other.

Use values then are in a sense objective, exchange values rest likewise upon external qualities and the conditions of access to the things carrying the qualities. The individual in the overwhelming majority of cases merely reflects in his

valuations these external conditions. Now the really important point socially in this matter is the mode and the conditions of access to the goods, and the mode and the conditions of the renewal of the supply. In a certain sense the power of the external object to satisfy a want very often is of the character of a natural necessity. Food, clothing, and so on are illustrations. The modes of access and of renewal are almost wholly a matter of social regulation. Social bonds therefore are creators of value; in the sense also that they even determine the psychology of the multitude, and hence, popular tastes, desires, and demands. Exchange relations, exchange values, are thus in an average regular economy almost wholly a creation of society. These social values are the mighty ocean upon whose surface, whim and fad values are as bubbles of foam, shimmering, vagrant, insignificant.

Since values, even exchange values, are fundamentally social in origin and are bound to objective facts and realities, it follows that the only safe and scientific measures of them must be objective impersonal relations. You can for scientific purposes as safely measure value subjectively as you can for science take temperatures from the bodily feelings of heat and cold. In both value and temperature you have objective facts mirrored in consciousness. In both cases you must take to the objective for your measures. Thus the marginal utilityist can not remain closed up in his compartment, subjective value; he must come out into the open forum of objective relations. His attempt to screen or cover over with subjective drapery the objective facts of exploitation in interest-getting is in vain. The matter has to be brought to the touch of the external social facts.

Finally comes the ever-pressing necessity of a renewal of the supply of desire-satisfying goods. Here labor and tools combined under social regulations stand forth, necessity coursing through social molds. Then again appears the fourfold division, landholders, capitalists, enterprizers, and laborers. Since even present values are dominated by natural and social relations, evidently social conventions can conceivably estab-

lish with deliberation social values in connection with nature's constants. A labor state is at least conceivable. In such a state the marginal utility doctrine would be shorn of many of its rococo and freakish adornments. It would not be necessary to find a formula of value as easily applicable to the systematic beggar, as to the worker, and to the abundantly rich. In conformity with the change in social relations would supervene a more or less complete change in psychological valuations. In such a state values would be conspicuously social and the measure of values would be conspicuously external. Conceivably, social results might be hugely different from what we now see. Conceivably, do-nothing interest-getters would not exist. Though social labor might be exploited, that is, be wasted or applied to foolish purposes, yet the exploitation would be social, it would not be the exploitation of one member of the state by another member of the same state, with the consequent formation of classes of exploited and exploiters. This makes all the difference in the world. In short, just as economic history shows the transitoriness of past social forms, so analysis and constructive imagination show the possible changeability of our present system.

The utility doctrine seems to be misconceived, at least by some of its users. The psychological school of economics can not escape the dominance of objective forces. Whatever fraction of initiative remains to some few individuals, the mighty multitude are molded by what to them is outer necessity. There stand the objective facts. Economic goods come only from nature molded and directed by human labor. These goods have properties which satisfy human needs. Nature at once attacks these goods; as future passes into the present, they decay. Interest with us means a portion of these goods. Interest-getters do absolutely nothing towards their creation or the guarding of them from decay. Access to the goods both for workers and for non-workers rests upon institutions. The social mode and the conditions of renewing the supply are determined by social regulations. Some labor and

reap; some labor and do not reap; some do not labor and yet reap. These latter are exploitation. A part of this exploitation is interest. To be able to reap socially where one has not sown is the result of social conventions. Interest then in this sense is certainly not "an ordinance of nature or a decree of fate." However justified at various times on various grounds, a period may conceivably come wherein interest-getting may be found neither so desirable, nor so morally justifiable as bourgeois economy would represent it to be.

Finally concerning the ethical aspect of the whole subject as here discussed, one sees clearly enough the economic foundation of the age-long debate upon interest. In the household economies of Greece and Rome and in the guild and city economy of the middle ages, the phenomenon of interest as we know it was unknown. The exploitation was direct in the case of slavery and serfdom. Outside of these, labor was too manifestly the significant element. Interest, appearing in connection with trade or commerce, and these being so noticeably tied to chicanery, deception, plundering and piracy, or else in connection with the consumer's necessities, or spendthrift undertakings,—interest or usury was socially condemned. The mode of production and distribution controlled the social concept. Trade and commerce everywhere tended so far as possible to break through the barrier. Ethical conceptions in this matter underwent a fermentation process. Change in transportation and production, tools and processes, brought about a commercialization of the western world. The ethical objection to interest dropped into nothingness. The development of machinery and of immense transportation systems has destroyed the possibility of individuality for the masses under our present system; on the other hand, it has made conspicuous the vast and intricate relations of dependency upon which society rests. This means the appreciation of the function of labor. A new training, the necessary outcome of complex machinery, is a new instructor; labor must be intelligent, and it must be combined to get out the product. This means the evolution of a new social psychology,

new psychical values in the laborers' heads, new power economic and otherwise in their hands, new lines of "specific product" and proportional divisions among laborers, enterprizers and capitalists, the disappearance of the old "absolute social justice" "desirable and morally justifiable," and the emergence of a new. Hence later, new schemata and systems of labor ethics arising from the changed and changing economics. In this matter, plainly enough, the entire ethics with all its side developments is but transfigured economics.

CHAPTER VI

ECONOMICS IN KANT'S ETHICS

KANT'S PERSON AND INFLUENCE; "PURE REASON" ETHICS; GENERAL REPLY; ECONOMIC BASIS OF KANT'S ETHICS.—KANTS "METAPHYSIC OF MORALS": I. GOOD WILL ACTS FROM DUTY; II. MORALITY RESTS ON MAXIM OF WILL; III. DUTY IS RESPECT FOR LAW; IV. LAW IS UNIVERSAL; V. TRANSITION TO METAPHYSIC; VI. MORALITY PRESUPPOSES FREEDOM; VII. "PURE REASON" ETHICS AND REAL LIFE; VIII. "CRITIQUE OF PRACTICAL REASON"; IX. "GOD, FREEDOM, AND IMMORTALITY"; X. "PRINCIPLES OF JURISPRUDENCE."—ORIGIN OF ETHICAL FINALITIES: OBJECTIVE AND SUBJECTIVE WORLDS; SCIENCES ARE GROUPS OF KINDRED FACTS PLUS EXPLANATORY FORMULAS; SIMILARLY, PHILOSOPHY OR METAPHYSICS.—REAL NECESSITY OR DEPENDABLE REGULARITIES CONFOUNDED WITH FORMAL NECESSITY OR CONSISTENCY: CAUSALITY; MATHEMATICAL AXIOMS; SPACE; LOGIC.—FAILURE OF GENERAL APRIORISM; KANT'S ETHICAL APRIORISM IMPOSSIBLE; OTHER ETHICAL SYSTEMS; RELIGIOUS FINALITIES.

It would be hard to find any moralist whose ethics appear more abstract or more formal than the system of the famous founder of the "Critical Philosophy," Immanuel Kant. Though his doctrine of morals was never so revolutionary as his speculative philosophy, departing in fact from customary ethics only by its intenser abstractness, it is still referred to with much deference, and many ethical writers appear to find a great support to their views, if they can only quote Kant's words apparently in their favor. Just because of the abstractness and the formality of Kant's ethical system, the wish arises to touch on it in connection with its economics, or with economics in general. If ethics be, as said, largely a matter of transfigured economics, then Kant himself amid all his abstractions should betray this fact. At all events, the following makes a slight essay into his territory in search of economic presuppositions or interpretations.

Kant was himself the quietest and most methodical of mortals; so regular in his habits, that persons set their timepieces by his daily walks; of delicate health and physique, he passed beyond the allotted three score and ten; only about five feet in height, he gave birth to thoughts which overturned the speculative world; never more than fifty miles from his native town, he explored the stellar universe, developed the nebular hypothesis usually ascribed to Laplace, studied, thought, wrote, and became so much the fountain head of modern philosophy that modern speculative philosophy is said to begin with Kant and to be incomprehensible without a knowledge of him.

PURE REASON; APRIORISM

Kant is the high priest of "pure reason." His ethics are the ethics of "pure reason". One will get the signification of "pure reason" most quickly and easily by conceiving what is meant by a disembodied spirit, by angel in the theological sense. The schoolmen depicted many different species of angels, and for Kant, man on his spiritual side is of the same general class of beings; that is, man is to be conceived of as essentially a kind of substantial spirit, in this life affixed to or in a sensitive body; and after this life persisting but devoid at least of such a material organism as that now possessed, whatever be the nature of its body in the future world. In short a great gulf is fixed between matter and spirit. "Pure reason" is that independent rational spiritual essence.

Knowledge, principles, feelings, volitions, springing from or expressive of the nature or constitution of the spiritual side of man are "pure," rational, a priori: knowledge, principles, and so on arising because of its contact with the body and from the influence of the body are empirical, contingent, a posteriori. If angels or other rational beings exist in the universe, these pure a priori rational ideas or principles, feelings, and volitions have a validity for them, a validity quite independent of man's special physiological and physical conditions and surroundings. God himself is just as subject to these pure rational laws as is man himself. Since man is distin-

guished from other earthly organized beings by the quality of "pure reason," Kant's moral philosophy is thus addressed to man as devoid of bodily passions, appetites, or necessities. So far as a man's moral judgments are influenced by bodily wants, necessities, passions, desires, feelings, the purity of his ethical judgment is sullied or corrupted. The mother's joy over the babe at her breast may be as immoral as the gloating of a lecher over the deceiving of a trusting heart, or as wicked as a tyrant's pleasure in the cries of some helpless offender tortured in his presence. Since for Kant moral judgments are to have validity throughout the entire universe of rational beings, the bodily relations are beyond consideration. Kant's entire critical philosophy is built upon this divorce of soul and body; his great quest is to ascertain as far as possible exactly what elements of knowledge, belief, feeling, and practice are traceable to the mind's native endowment, wholly apart from bodily relations. It were just as if the chemist who had never separated from a compound a certain supposed element were to try to state what qualities or characteristics that element would possess, could it at last be actually isolated. In both cases the problems seem entirely proper, provided one have plausible enough grounds for accepting the idea that there is actually a composition. Assuming here this point, then the qualities and principles which the mind from its own nature brings into the combination are called pure, a priori. All knowledge and principles resulting from the influence of the body and of the external world upon the mind are empirical, experiential, contingent, a posteriori. The like of course applies to ethics in general.

Or expressing the distinction, not metaphysically as above, but rather in the field of explanations, a priori principles are such as are indispensable to any and all explanations; for example, the laws of logic: or they are inevitable or necessary presuppositions, either of experience in general, or of this or that particular kind of experience; for example, when a reflective person speaks of thoughts, feelings, and beliefs as his own, Kant indicates from this that some sort of unifying ele-

ment, an ego, or a kind of personality must be presupposed in order that any such experience or declaration may be had or made: space is a necessity of mathematical knowledge; causality is a necessity, if physical science is to exist.

Or again, this same thing from another side; given such and such ideas, principles, and definitions as somehow known, then all conclusions from these data are conclusions a priori. Repeatedly Kant says experience can not be had apart from such a priori principles; or at least, science apart from such ideas is a vain and empty thing, since then it would lack all certainty and universality.

GENERAL CRITICAL REPLY

Often enough this exaltation of "pure reason" and its products has been more or less turned against Kant. Every new-born babe shows in the course of its mental and physical growth that man's knowledge at all events begins with experience. The child's acquisitions are nothing if not of empirical origin. If in time the child ever comes to manifest "pure reason," evidently the faculty glimmers but faintly amid the thronging elements of the sensuous bodily life. Accordingly distinctions made by it in this sensuous life must be mostly experimental. Indeed the "pure reason" conception or activity is itself a distinction made only in connection with and upon a background of sleepless nervous sensibility. Now it is difficult to see how Kant is ever to be sure that any manifestation or exercise of human intelligence can get completely clear of the bodily organism in which the intelligence is at present immersed. However mature the man may be, physiology, pathology, chemical, or in general, biological facts would indicate that there is no mental activity which is not correlated with brain or nervous changes affecting directly or indirectly the entire organism. A little poison in the blood will throw into disorder the finest "pure reason" faculty in the human race. Finger pressure on the carotid arteries in the neck will dissolve into unconsciousness the abstractest philosophic flight. That the body-mind machine works smoothly most of the time

easily leads to an illusion about purely mental activity, to the belief that the bodily contribution and influence may be wholly negligible or even occasionally non-existent. But this idea hardly squares with hosts of physiological facts. Kant's "pure reason" as achieving any action apart from the body seems a mere leap. The keen physiologic-psychology of to-day has displaced the ignorance of former times. Body and soul are tied much more tightly together than ever before. The loose connection of the days of ghosts is unacceptable.

The belief in fairies, celestial hierarchies, angelic visitants of all literatures, superstitions, and religions, in which poets, mystics, schoolmen have revelled, proves only the transfiguration of "the will to live," when it enters the light of consciousness. Swedenborg described the inhabitants of Mercury, Venus, Mars, and so on, but his visions make no mention of the dwellers on Uranus or Neptune; these planets not yet having been discovered, Swedenborg's revelations did not anticipate any of our present knowledge of them. Hardly will anyone say that he knows with verifiable certitude whether "pure reason," disembodied spirits, or angels of any kind really exist or not. No one seems as yet to have demonstrated under objective impersonal tests their independent reality. To this day after thousands of years of speculative endeavors, of emotional longings, of literary enthusiasms, their existence remains entirely problematical. The numberless cases of disordered minds claiming communication with the other world, the manifest bodily disturbances accompanying exalted states of religious experience, the impossibility of extracting any concordant results from the proclaimed revelations, the uncounted instances of falsified communications and pretensions, the absence of all possibility of verification processes, the ease with which many asserted revelations are explicable as misinterpreted real experiences,—all this removes the matter from the regions of sane discussion.

One feels strongly enough, for the most part, the concrete man behind these abstract "pure reason" deliverances. From a variety of causes, principles of knowledge seem to bespeak

for reason a kind of independence wholly separate from the body; more sharply viewed, even these extremely abstract and general principles come back to sense experience and sense measurement. But when one tries to speak of a priori feelings, a priori volitions and the like, that is, those independent of, and antecedent to all bodily experiences, one immediately becomes aware that he is perilously near to nonsense. For the most part at least, feelings and volitions are so clearly related to bodily states and effects that in such cases the severance of mind and body seems a rather impossible matter, and that the more so, the more practiced one is in noting such relations. The psychology of to-day with its emphasis upon biological and evolutionary development connects so-called pure thought or ideation too closely with motor impulses and muscular activity to permit the former easy divorce of mind and body.

In this matter of the angel possibility or the "pure reason" in man, and generally in his entire philosophizing, Kant made use of scientific abstraction. He accepted certain elements of experience as undisputed; among these seemingly indisputable facts is the age-long assertion of the disparateness of soul and body; to these elements or facts, he added further analyses, distinctions, and constructions; grasping them firmly and holding them fixed, he proceeded to exhaust more or less fully the possibilities implied or contained within them and their relations. The process is precisely that of science. It is both allowable and necessary to abstract and to generalize, in order to manage the complexity of nature and its problems. All science is at once the result and the justification of this course. The fruits of the process are its test. The history of inductive science is likewise the proof that these abstractions must always come back to the experiences of concrete life. The chameleon character of philosophical and metaphysical speculation is, on the other side, proof of the desirability of some sort of objective controls in speculation.

What is done in this case and in all science theories is to classify, and to place into separate compartments, as it were, facts or aspects of experience. Abstractions are made; men-

tal constructions or hypotheses are set up; definitions, rules, and processes of treatment are elaborated; conclusions are drawn from the combination. Kant's "pure reason" construct is exactly like any science construct or hypothesis. But science has advantages forever denied to Kant's "pure reason" figment. Science demands verification; it brings its conclusions to objective impersonal tests; its compartment walls are no longer rigid. The breakdown of science theories has again and again demonstrated that its cell walls shall not be absolutely fixed; they are only temporary structures. What a wilderness of mere words science would be apart from verification requirements can easily be seen by any one who will read some scholastic Aristotelian. The jangling of philosophic and religious sects is a similar phenomenon. The vagaries of science when uncontrolled by objective tests foreshadow how little dependence is to be put upon any hypotheses or explanations which carry one into a field where all possibility of objective verification is cut off from the very outset. Hence there are no solid checks for speculative metaphysics and theologies. Kant of course, being a man of profound scientific knowledge, tried mightily to find and to apply adequate guards, but his tests can at best secure only consistency; their plasticity under his hands is now manifest in his own works. As it were, metaphysical compartments have impenetrable walls; no tests save only those of general experience exist to shake their fixity.

The general doctrine of organic and inorganic evolution has largely contributed to the destruction of this static compartmentalization. Much more than was the case in the past, explanations nowadays seek the genetic view-point, that is, the present aspect of things is regarded as but a transition point between what was and what will be. Nothing is permanently fixed. The complexity of the universe is so great that no concrete situation is ever likely to be exactly duplicated. Guiding principles themselves in science exhibit only a relative stability. We read them from the past and into the future, and when pinned by a failure so to apply them as to reach predicted

results, we reduce the formulas to a set of general terms, vague and indeterminate, in order that we may save our faces from confusion and leave ourselves a loophole through which to escape. In short often enough we are the prey of our own abstractions.

Economic Basis of Kant's Thinking

The general economic conception at the basis of Kant's thinking is the individualism of the advanced thinker in a more or less absolute, kingly state, amid feudal privileges, and strong ecclesiastic power. The preservation of monarchical or aristocratic powers and privileges, the weighty influence of ecclesiastical organs, whether that of the papacy or that of the state church, the increasing but not yet developed energy of physical science, the growing strength of commercial and industrial economics, all these influences show themselves in Kant's thinking, and necessarily color and determine both the form and the matter of his conclusions. It was the day of the "Encyclopedia," "social contract," and "the rights of man." Kant himself fully sympathized with these ideas so far as they did not cut into his pietistic nature. It was but natural that he could not escape the rigid metaphysical and theological conceptions trailing down from the middle ages, though he burst them more or less asunder in many directions. Had the pervasiveness of evolution as now taught been felt by him, it is not difficult to imagine that his account of ethical philosophy had been different. There had been likely enough at least a clearer indication of the schematic character of his problems and their solution. Be that as it may, Kant sees things in the light of economic individualism, an attitude in many ways quite harmonious with the scientific temper of individual thinkers. Since an appreciation of the difference of spirit between individualistic and social concepts must lead to a perception of the relative character of solutions resting upon these different bases, and since the theory of evolution had not then mastered all thinking in the way it now does, hence for Kant the social origin of many of our concepts did not stand forth clearly, which means almost of necessity that the individual-

istic side of all philosophy would unconsciously receive from him more stress than is current in present-day thinking.

Into his "pure reason" polity, his kingdom of rational beings the universe over, Kant imports this same individualism together with a physics and a physiology, known nowhere in the stellar universe so far as man is concerned. His pure rationals must at least be presumed to continue in existence, to have some way of communicating with one another, some mode of influencing one another. Now continuance of existence for living beings apart from food, clothing, and shelter is unknown; and apart from physics and physiology, means and modes of communicating with rational beings and of influencing them are similarly unknown. Kant gives us no details about these ultra-earthly beings and their intercommunications.

It is of course a possible problem to construct an ethics for such conjectural beings, but we have no right to represent this problem ethics as real ethics for man. Exactly this is what Kant does. "Moral philosophy does not borrow the least thing from the knowledge of man himself (Anthropology) but gives laws a priori to him as a rational being. * * * the basis of obligation must not be sought in the nature of man or in the circumstances in the world in which he is placed, but a priori simply in the conceptions of pure reason. * * * That which mingles these pure principles with the empirical does not deserve the name of philosophy; * * * much less does it deserve that of moral philosophy, since by this confusion it even spoils the purity of morals themselves and counteracts its own end. * * * Obligation as a notion from empirical sources is anything but moral." (Preface, "Metaphysic of Morals.") If neither the nature of man (other than the pure reason part of him) nor the circumstances in the world in which he is placed can say or do aught concerning the basis of obligation, concrete ethics are annihilated at the outset. Economic realities are superfluous; consequences or results outside of pure reason limits are negligible, rather must be wholly excluded from consideration. Physical needs, physiological necessities, social connections,

none of these things touches the "basis of obligation" for real human beings. Food, clothing, shelter, even physical life itself are of no moment in ethical matters, and can not have any determining power in "moral philosophy." Such "ethics" are merely academic, practice-problems ethics; to call them real, or human ethics is to abuse ordinary language. To transfer them without adequate limitations into actual life is to contradict the fundamental idea of morality. Confusion arises, and without doubt "cases of conscience" spring up, often ruinous to healthful mental and social activity. The miseries caused by such "cases of conscience," issuing from the conflict of immobile absolute beliefs, especially those of an ethical or religious character, with those resulting from advancing science and economic social change, are incalculable in number. Kant's rigid abstractions have added weight to the burden.

Grant however that Kant does secure his "pure reason" moral philosophy, he has the problem of getting it back to the earth in a workable condition. But before considering this part of Kant's problem, it will perhaps be not unpleasant to observe his pages in order to see whether or not the real world with its economics, its concrete ethics, its causes and results, does not constantly peer out at us through his abstractions, and whether the content and the drivers of his ethics are not after all the passionate men and women of this world. Since neither Kant, nor any one else can give movement or evolution to an abstract system save only by slipping back again and again into the real world, we shall also append along the course interpretations of Kant's formulas, more in line with existing evolutionary ethics.

THE GOOD WILL ACTS FROM DUTY

Kant opens his "Fundamental Principles of the Metaphysic of Morals" (Abbott's "Kant's Theory of Ethics," 4th ed. Longmans) with the oft-quoted sentence: "Nothing can possibly be conceived in the world, or even out of it, which can be called good without qualification except a Good Will." In effect he continues: 'Intelligence, wit, judgment, courage,

resolution, perseverance are undoubtedly good and desirable in many respects, but they may be bad and mischievous, if the will which is to make use of them is not good. It is the same with gifts of fortune;—power, riches, honor, even health, well-being, contentment, need the good will to correct and rectify them.' "The sight of a being who is not adorned with a single feature of a pure and good will, enjoying unbroken prosperity, can never give pleasure to an impartial rational spectator." 'There are some qualities of service to this good will as facilitating its action, and as constituting even part of the intrinsic worth of a person, such as moderation in the affections and passions, self-control, and calm deliberation, which yet are not good without qualification; for without a good will they may become extremely bad; the coolness of a villain not only makes him far more dangerous, but also directly makes him more abominable in our eyes than he would have been without it.'

"A good will is not good because of what it performs or effects, not by its aptness for the attainment of some proposed end, but simply by virtue of the volition; that is, it is good in itself, and considered by itself is to be esteemed much higher than all that can be brought about by it in favor of any inclination, nay, even of the sum total of all inclinations." 'Even though it should lack power to accomplish with all its efforts some set purpose, it would still be like a jewel whose whole value was in itself.' "Its usefulness or fruitlessness can neither add to nor take away anything from this value." * * * "There is however something so strange in this idea of the absolute value of the mere will, in which no account is taken of its utility," 'that the idea may seem a mere high-flown fancy.' Kant next comparing reason and instinct as safe and certain guides for the attainment of the happiness, welfare, and conservation of a being having reason and will, gives the palm to instinct,—[Evolution doctrines would quite destroy this Kantian interpretation], and concludes that nature's aim was to produce' "a will not merely good as means to something else, but *good in itself*, for which, reason was absolutely necessary" * * * "Reason recognizes the establishment of a good will as its highest practical

distinction, and in attaining this purpose is capable only of a satisfaction of its own proper kind, namely that from the attainment of an end, which end again is determined by reason only, notwithstanding that this may involve many a disappointment to the ends of inclination."

Kant next has "to develop the notion of a will which deserves to be highly esteemed for itself, and is good without a view to anything further, a notion which exists already in the sound natural understanding requiring rather to be cleared up than to be taught, and which in estimating the value of our actions, always takes the first place and constitutes the condition of all the rest." For this purpose he makes use of the notion of duty. 'He omits all actions contrary to duty, all those which though conforming with duty may yet be prompted by or performed from other reasons, from inclination or from selfish views. Thus though it is the duty of a dealer to take no advantage of an inexperienced trader, a prudent dealer will not overcharge even a child. Still though he thus serves his traders honestly, he may do so from only prudential motives, not for the sake of honesty itself, not even from inclinations to assist others, but only from selfish views and ends. To preserve one's life is a duty. If this be done because of the strong inclination to self-preservation, all maxims thereto resting upon this inclination have no moral import. If however one in whom adversity and sorrow have destroyed all relish of life, should yet in spite of wishing for death preserve his life, not from *fear* or from inclination but from duty, then his maxim has moral worth. The like is true of beneficence as a duty. Such an action may spring from the mere pleasure of spreading joy and happiness around one, or from sentiments of public utility, but if done so it has no moral worth and is not to be esteemed. On the contrary one who performs such acts, however cold and indifferent he may be to the sufferings of others, however immersed in his own cares and sorrows, if he does them from duty, his moral worth so far is incomparably high.'

"To secure one's own happiness is a duty, at least indirectly; for discontent with one's condition, under a pressure

of many anxieties, and amid unsatisfied wants might easily become a great *temptation to transgression of duty*." 'Here of course all men have the strongest and most intimate inclination to happiness, for happiness in fact combines all inclinations in one total. The precept to secure one's own happiness often greatly interferes with some inclinations, and yet a man can not form any definite and certain conception of the sum of satisfaction of all of them which is called happiness. Whatever the conflicts and difficulties thus arising there yet remains the law, namely that one should promote his own happiness not from inclination but from duty; by this, would his conduct first acquire true moral worth.' 'To love our neighbor even our enemy, is of the same nature.' "Love as an affection can not be commanded, but beneficence for duty's sake may." * * * "This is practical love not pathological, a love which is seated in the will and not in the propensions of sense, in principles of action, and not of tender sympathy." Hence from all this — 'that an action have moral worth it must be done not from inclination but from duty.'

From the preceding direct quotations and summaries of Kant's first position, that moral worth springs from the performance of actions from duty, one may find matter containing the gist of a criticism of Kant so far as concerns present purposes.

(a) One sees at the outset how far removed one is from an ethical content concerning angels or rational beings devoid as such of economic, physical, and other earthly necessities. This of course is here to be expected since Kant is at this point proceeding upward from common rational knowledge of morality to the philosophical. But the same examples and treatment recur in his abstract forms, and in the end, when he descends from the ultimate heights, he is compelled to give movements to his abstractions, by taking up here and there hints, bits, fragments from these concrete ethics of earth, as the needs of progress and development of his system arise.

(b) One further sees Kant's schematic rigidity and abstractness:—a "good without qualification," "absolutely good,"

"no account taken of utility or of inclination," "good in itself," "good not as a means" and so on. In a sense, Kant will have finalities; a viscous, relatively permanent equilibrium will not satisfy him. He will have, as in mathematics, fixed rigid data and conclusions within these data as unchangeable as the data themselves. In truth he presupposes in "pure reason" a set of fixed concepts. Now *within these concepts*, one may grant that a good will is good "without qualification." These schematically fixed, no one would question the "without qualification." This applies the universe over, so far forth as the data or concepts are supposed to reach, to angels and to all other pure rationals. The nearer question is the applicability of this schematic treatment to the mixed combination, the physical-rational being called man. There is of course a network of presuppositions, economic and otherwise, behind Kant's statements; "absolute," "without qualification," "good in itself" and so on hold only within these abstract general presuppositions not distinctly enumerated. Change these conditions and other sets of "absolutes" arise.

(c) What this "good will" is, what moral worth consists in, Kant develops from the notion of duty. The will that is good, whose acts have moral worth, is that which acts from duty's sake. Supposing the existence and the knowledge of duty, a will is morally good only when it acts solely from duty's sake. Any other motive is morally worthless, is indeed apt to sully and corrupt all ethical concepts. It would even seem that one can take no pleasure or happiness in duty itself. At all events one has no moral worth who without consciousness of duty has yet inborn pleasure in spreading joy and happiness round him. Kant at least has no fear of rigid formalism. Having taken his position of duty only for duty's sake, he does not compromise; he schematizes with noteworthy fixity. Whether this position turn one into a self-conscious, anxious, diseased, interrogator of conscience is for Kant not in question; whether one can be too dutiful is not for him a theoretical possibility; duty for duty's sake is the ultimatum.

(d) Whence comes the knowledge of duty, and what constitutes the content of duty, Kant has not yet needed to say, but one may note here that in spite of the refusal to regard utility requirements and consequences resulting from actions, as tests of duty, Kant nevertheless lets these ideas in. Thus: "to secure one's own happiness is a duty, at least indirectly for discontent may easily become a great temptation to transgression of duty." "The sight of a being who is not adorned with a single feature of a pure and good will enjoying unbroken prosperity can never give pleasure to an impartial rational spectator." That happiness and morality are causally connected is herein implied; this fact leaves open the question as to which is the determinant in the connection thus indicated. The vagueness of Kant's discussion of the duty to seek happiness foreshadows the same questionable relation. The economic content of duty is implied by Kant's very examples. The dealer exchanging wares is of course manifestly economic. The preservation of one's own life is the presupposition of any economic pursuit. The duty of beneficence becomes practical only when it reaches out into the external world.

(e) Kant's fear lest the moral worth of an action from duty's sake be lost in the swing of inclinations and selfish desires is but an expression of the conflict in each of us of the social self with the private individualistic self. Clifford's tribal self, Stephens' social tissue, Spencer's racial evolutional inheritances or intuitions express the thought that the phenomenal individual which each of us is, is yet much more than a purely abstract personage cut off from social relations. Separate in space and in time, each of us is still in overwhelming mass social in origin and content. The imitative absorption of ideas in our early education, the fact that for the most part our science and our habits of feeling and judgment go with those of the majority of our fellows, the subjection even of our greatest men to the spirit of the times in which they live, is proof enough of this position. We see the world of which we ourselves are a constitutent part through a sentient point. Just as when we look out upon the world through a window, the

world appears in a sense disparate or separate from us, yet all the while we are ourselves an integral part of that same world, in a similar manner, we are indissolubly tied to, rather consist of, social relations, while yet we seem in a way separate from or independent of those relations. In the one case we may speak of the personal individual self; in the other case we may speak of the tribal or social self, of our social tissue, and so on. At times these selves are harmonious, at times they conflict. But in fact and on the whole the social self is by far the more important both as to content and as to consequences. Social relations mold the individual far more than the individual molds society. The individual is far more dependent upon society than is society upon any individual. The individual exists because of and for society far more than society for the individual.

The "good will" of Kant is nothing more than the hearty acceptance by the individual of the priority of the social claim, of the superiority, all things considered, of the social or tribal self to the individual self. The willing acceptance of this fact and action upon it as a fundamental principle make a man a moral character and stamp his corresponding acts as having moral worth. So far as angels or the kingdom of pure rationals come under the same category, schematic consistency pronounces a like verdict upon their characters and acts. There is nothing mysterious in the schematic extension; the mystery is the concrete facts of social origin and stamp united with spatial and temporal separation of the individuals. Kant's schematic individualism at first sight demands gigantic leaps into spectral spheres. The rigidity of his abstractions makes a death chamber for all the ethical progress of history. The conception of a tribal or social self relatively stable as concerns individuals admits a relative finality for this or that person at a certain stage of progress, but at the same time it provides a means whereby the change and the progress as seen in actual history become comparatively explicable. Compartments are more or less fixed but are also more or less fluid. Change, which is life, is not prevented at the outset. Even Kant's formalism

almost repulsive at first glance becomes capable of a fairly acceptable reinterpretation. The fear of selfishness as a corrupter of morals is explained. The hesitancy to see any morality in the willing non-moral spreading of joy roundabout is partly approvable even from a moral point of view. The fear of considering objective results as having a bearing upon the worth of an act is both understood and also laid at rest. It is seen that the effort of all politics and education is to produce a character that shall unconsciously take joy in heightening the social welfare of those about him. An anxious introspection is repressed by rational considerations become instinctive.

MORALITY RESTS ON MAXIM OF WILL

To return to Kant's analysis; Kant's second proposition is: —"an action done from duty derives its moral worth, not from the purpose which is to be attained by it, but from the maxim by which it is determined, and therefore does not depend on the realization of the object of the action but merely on the principle of volition by which the action has taken place without regard to any object of desire." Since at the outset everything empirical is cut away by Kant, in order to secure an a priori moral philosophy, no empirical purpose to be realized, and no real effects as ends can be accepted in place of duty for its own sake; it follows that for angelic beings only the principle of volition or the formal a priori principle determining the will can have validity.

This second proposition well illustrates the degree to which Kant carried his abstractions in individualistic terms. Kant is giving in this section of his book an analysis of common morality whereby he is to reach his fundamental principle. He is therefore dealing with the psychology of the mature individual. Now a psychological analysis may start and may stop at many different places. Kant in proposition one reaches the position that duty for duty's sake is fundamental in morals. The second position restates the matter, throwing emphasis upon the volition and its maxim rather than upon concrete ends to be attained or results to be achieved. This however

may mean only that the psychological analysis is limited by certain points. Hence illusion may exist as an element of the position attained. A further pushing of the analysis may drive out this illusory element. The question of the genesis and development of that psychology becomes an important matter. A full answer to it is essential. Kant reaches finally the result that the universality of application of a maxim is the test of the moral validity of that maxim.

Now Kant's second proposition is not in genuine contradiction to the test which determines the morality of an action by its objective effects or results. Nor does this effects-test contradict the universality idea. That the moral maxim must be potentially universal means that objectively under the conditions accepted the universal practice of the maxim shall not produce a situation wherein there shall remain no working possibility for the maxim. Thus, if lying be universal, trustworthy communication becomes impossible, and lying itself is made of no avail. Or if all promise-making be treated as without validity, this is the same as reducing all promises to a zero value. The very test of universality thus reduces itself to a trying out by results. For it is manifest that only by carrying the maxim into practice can it be said to have any content at all.

Grant the existence of the maxim as a bit of psychological fact in the mature individual, the genesis of that individual psychology is highly important. Kant's second proposition therefore needs no denial; it is true enough regarded as a fractional aspect of a particular mental state. Evolutionary psychology may reinterpret that maxim as expressing the dominance of the social motive become instinctive in the racial-private self. Such crystallizations of racial and pre-reflective, imitative, personal experience represent long-range influences working up a mass psychology. They may largely conflict with the private interests of this or that person. The willing acceptance of the dictates of the tribal or social self instinctively uttered often sets aside consideration of purposes, of effects, and of selfish regards of the private person. In

general, conformity with the demands of the social self is to be preferred to all other decisions. Viewing this psychological fact narrowly, that is, excluding all other considerations, then we have the Kantian maxim in a seemingly absolute form. Such willing acceptance is Kant's pure social morality.

DUTY IS RESPECT FOR LAW

Kant's third proposition is:—"*Duty is the necessity of acting from respect for the law.* I may have an *inclination* for an object as the effect of my proposed action, but I can not have *respect* for it, just for this reason that it is an effect and not an energy of will. Similarly I can not have respect for inclination whether my own or another's. * * * It is only what is connected with my will as a principle, * * * in other words, simply the law of itself, which can be an object of respect, and hence a command. Now an action done from duty must wholly exclude the influence of inclination, and with it every object of the will, so that nothing remains which can determine the will, except objectively the *law* and subjectively *pure respect* for this practical law and consequently the maxim, that I should follow this law even to the thwarting of all my inclinations. * * * Thus the moral worth of an action does not lie in the effect expected of it, nor in any principle of action which requires to borrow its motive from the expected effect. For all the effects—agreeableness of one's condition and even the promotion of the happiness of others—could have been also brought about by other causes, so that for this there would have been no need of the will of a rational being, whereas it is in this alone that the supreme and unconditional good can be found. The preeminent good which we call moral can therefore consist in nothing else than the *conception of law in itself, which certainly is only possible in a rational being*, in so far as this conception, and not the expected effect determines the will. This is a good which is already present in the person who acts accordingly, and we have not to wait for it to appear first in the result."

In a footnote Kant answers a possible objection that in "respect" he takes refuge behind an obscure feeling instead of solving the question by a concept of the reason and says: "But although respect is a feeling, it is not *received* through influence, but is *self-wrought* by a rational concept, and therefore is specifically distinct from all feelings of the former kind which may be referred either to inclination or to fear. What I recognize immediately as a law for me, I recognize with respect. This merely signifies the consciousness that my will is *subordinate* to a law, without the intervention of other influences on my sense. The immediate determination of the will by the law, and the consciousness of this is called *respect*, so that this is regarded as an *effect* of the law on the subject, and not the *cause* of it. Respect is properly the conception of a worth which thwarts my self-love. * * * The *object* of respect is the law only * * * the law which we impose on *ourselves*, and yet recognize as necessary in itself. * * * All so-called moral *interest* consists simply in *respect* for the law."

Concerning this third proposition of Kant and his discussion, we need remark only a few things.

(a) Kant in his progress to pure reason constantly abstracts and schematizes aspects of actual experience psychology. Thus duty as the necessity of acting from respect for the law is an abstract generality concerning actual psychology in the presence of existing enforceable law. Respect for that concrete actual law as commands, we all understand. Our psychology is molding under the steady pressure of law. A willing acceptance of that law-abiding attitude after due consideration apparently transforms the objective constraint into a subjective director. Long-range results are to control momentary or short-range impulses, they even dominate calculations of effects expected.

(b) One notices also the implied generic superiority of the active over the passive,—one respects not an "effect" of the will but an "energy" of the will; respect is not "received through influence, but is self-wrought." This and the like are of course only an echo or fragment of actual experience rela-

tions presented in an abstract generalization which has sloughed off, or has disregarded, conditions wherein it has a relative validity.

(c) The distinction between the social or tribal aspects of self and those of the individualistic self fits quite accurately all Kant's salient points. The social self gives the law to which the private self is subordinate. The social law and self determine the private self. The "self-wrought" "respect" of the private self that willingly accepts the social law indicates "the conception of a worth which thwarts self-love." This law-abiding quality and character is "a good which is already present in the person who acts accordingly and does not have to wait for it [the good] to appear first in the result,"—provided, of course, social salvation is the accepted highest demand. If therefore abstractly we cut off all private motives and inclinations, there remain to determine the will, objectively only the law, and subjectively only pure respect for this law. Thus one can save the soul of Kant's representations without landing into the seemingly unbridged chasm between his static individualism and the indisputable fact of social and ethical evolutionary change.

THE LAW IS UNIVERSAL

Kant proceeds: "But what sort of law can that be, the conception of which must determine the will, even without paying any regard to the effect expected from it, in order that this will may be called good absolutely and without qualification?" 'Since the will has been deprived of every impulse that could arise to it from obedience to any law, there remains nothing' "but that universal conformity of its actions to law in general, which alone is to serve the will as a principle, i. e. I am never to act otherwise than so *that I could also will that my maxim should become a universal law.* Here now it is the simple conformity to law in general, without assuming any particular law applicable to certain actions, that serves the will as its principle, and must serve it if duty is not to be a vain delusion and a chimerical notion."

In the above, Kant reaches his apogee as concerns human ethics. Abstract formalism can hardly proceed farther than this. No specific purpose to be realized, no ends or effects to be achieved, no impulses proceeding from inclination, affection, physical need, or what not; not even this or that special law, but simple conformity to law in general, without assuming any particular law applicable to certain actions. The simple conformity to law in general constitutes the principle of the will and renders duty and morality real and "not a vain delusion and a chimerical notion." "I am never to act otherwise than so that I could also will that my maxim become a universal law." Kant's fearless rigidity of abstraction knows no tremors, no small-heartedness. The necessity of the virtue of law-abiding, of submission to authority, of passive obedience, has never been put more strongly; not this or that particular law is matter of ultimate moral worth, but the mere form of law in general. Mathematical axioms have some content; equals of equals are equal is abstract and general enough, but it is concrete indeed compared with "the form of law in general." Necessarily when one has abandoned all particular individualizing elements, one must put forth as the sole shadow left, the proposition so to act as if one's maxim should become a universal law.

But this remaining intellectual abstraction still retains a form known only through experience. One can easily see in Kant's words what is merely an exaggeration of a perfectly sound proposition, namely within given limits, the private self accepts without reservation the dictates of the social or tribal self; within those bounds or presuppositions, the action of each is permissibly the action of all other persons; the willing acceptance of social rule is to be undiluted; "the king can do no wrong;" "the state is impeccable." Submission to authority can go no farther. Only: since Kant has cut away all limitations or at least has allowed them to sink out of sight, his proposition and principles must needs take on a universality which renders the result almost spectral. The static quality of his representation abolishes the possibility of ethical change and growth; or if not this, then his principle becomes so

flexible as to lack all that guiding quality which he claims for it. The real guides and determinants must then come from other spheres, or from purposes, from ends, from results, expressing economic and other physical needs. Kant demands consistency merely. So far, wholly good; but what actually makes up or constitutes the fact and content of things and principles having consistency is questionable. We must here go back to real things. Consistency is a form or mold; actual forces determine the things and the facts which have consistency. Real consistency follows the external forces; it is not their guide or determiner.

Kant illustrates his position by discussing the question: "May I in distress make a promise with the intention not to keep it?" Kant here distinguishes two aspects; "whether it is prudent, or whether it is right to make a false promise." 'As to the prudence one sees that one must take a long-headed view of the matter. Possibly one might extricate himself in some instances by such an act, but the loss of credit may land him into greater inconveniences in the long run. Therefore the prudential regard for consequences may prove a difficult question. Such a maxim however is based only on the fear of the injurious consequences (to one's self). To be truthful from duty is wholly different. In this case there is already implied a law above me. In the prudential course I must consider what would affect myself. Deviation from duty is wicked; unfaithfulness to a maxim of prudence may often be very advantageous though to abide by it is certainly safer.' "The shortest way however and an unerring one to learn whether a lying promise is consistent with duty is to ask, Should I be content that my maxim (to extricate myself from difficulty by a false promise) should hold good as a universal law for myself as well as for others? And should I be able to say to myself, Every one may make a deceitful promise when he finds himself in a difficulty from which he can not otherwise extricate himself? Then I presently become aware that while I can will the lie I can by no means will that lying should be a universal law. For with such a law there would be no promises at all since it

would be in vain to allege my intention in regard to my future actions to those who would not believe this allegation, or if they over hastily did so, would pay me back in my own coin. Hence my maxim, as soon as it should become a universal law, would necessarily destroy itself."

Kant's above example and discussion may be taken as typical of his procedure. We may therefore handle it somewhat at large even if we thereby anticipate some part of the subsequent discussion. Wholly apart then from the prejudging influence of the customary approbation of truthfulness wrought into us all by the myriad-fold injunctions of parents, teachers, poets, and romance writers, let us consider some of the presuppositions behind this problem and Kant's discussion and solution of it. "May I in distress make a promise with the intention not to keep it?" This question presupposes social relations, means of social communication, conditions under which communication shall take place, and therefore some sort of social interdependence. Now all this implies much more than a kingdom of pure rationals. "Means of communication" implies steadfastness or consistency in symbols and in interpretations. If one is to communicate with another, so far forth as he is to convey a real message, he must conform with the customary significations put upon his expression. Failure to do this is failure in the very purpose for which the act of trying to communicate as such took its rise. Lying is thus a breach or annihilation of the fundamental purpose in communication. So far as communication is regarded as existing solely for the purposes of truth-telling, then lying is a contradiction both logical and real of this presupposition.

But if the means of communication may be used for other purposes than mere truth-telling, such use is not to be brought at all under the categories of truth-telling and of lying. The fact of the almost instinctive revolt at admitting such a possibility indicates the vast importance of truth-telling to persons who are not self-sustaining pure rationals, but mixed human beings subject to the constant pressure of economic, physical, and physiological necessities. If then a pure-reason mortal

might use the means of communication for other than truth-telling purposes, the questions arise under what circumstances and with whom is truth-telling in the use of the means of communication the unavoidable, the indispensable, requirement? Who may demand of me the truth and under what circumstances? So far as truth-telling is primary, no one may lie. This is a necessity of mere consistency. But as to the "who" or the "under what circumstances," this takes one out of the formal scheme, a whole flood of limitations to the maxim appropriate to the truth-telling schema is thus allowed to enter. The simplicity of the abstract formula does not touch the complexity of the real limiting conditions. One may assume to demand truth from me, yet may have no right to make that demand, or he may seek it under circumstances which are inappropriate or even unjust. I may be under duress, or in abnormal conditions of health or of consciousness, and so on. I may in short be bereft of that pure-reason attribute and independent economic and physical status presupposed by Kant, and that too under circumstances from which I have no physical escape, or no power to avoid an answer. Truth-telling on set purpose forbids lying; an identical proposition, which however contains no key for the concrete problems of the mixed reason-animal called man. In other words, unless conditions and limitations be observed, Kant's formula becomes an empty identity. Embody the limitations in the formula and then Kant's universality is largely diminished.

Hence "May I in distress make a promise with the intention not to keep it"? The answer is, "I do not know. The data are insufficient; in its present form the problem is indeterminate." The proposition, "while I can will the lie, I can by no means will that lying should be a universal law," appears to be a mere shift from a case, where a condition or limitation is significant, to the general formula, to the identity that in truth-telling lying is forbidden as a mere contradiction. Kant's appended reason shows the difficulty of escaping reference to external results as more or less decisive of moral quality. "For with such a law (lying should be universal), there would be no

promises at all, since it would be in vain to allege my intention in regard to my future actions to those who would not believe this allegation, or if they overhastily did so would pay me back in my own coin." (This language would seem curious as the expressions of a pure rational). This reason derives its whole force from its suggesting concrete consequences in actual life. Otherwise Kant would hardly be likely to use so roundabout an expression in order to say that universal lying is the annihilation of all truth-telling. The final reply then to Kant's question is as follows: Embody in the formula the conditions which make Kant's identical proposition have real content, then the formula is still a general rule or principle, but of a less range of application than the unlimited formula. In such cases the rule is good not merely for one's self, but also for any one else so situated. It ceases to have that private selfish individualistic aspect suggested by Kant's words.

The schematic character of Kant's individualism is evident from a glance at one or two historical facts, intra-tribal morality and extra-tribal morality. Within the tribe mutual trust and trustworthiness are conditions of tribal survival. Truthfulness, and hence stable promises, is indispensable. Beyond the tribe all are more or less hostile; therefore they are to be deceived in every possible way. The ethics of present-day warfare among civilized nations show this same attitude. The social and economic conditions of existence sustain this divorce of truthfulness and of lying as concerns members of a tribe to one another and to members of other and hostile tribes. After a lapse of time tribal consolidation takes place, whether by growth of population, by force, or in general by changed modes of production and distribution. The tribal area widens, and with its widenings, the range of truthfulness is extended. Abstractions in connection with world economics, and with supra-earthly economics, enlarge the range still farther; so that in the end one talks of "man as such," or of "members of a rational kingdom." In all this the influence of economic changes is manifest, but at the same time no warrant is given for attempting to represent matters as if earthly limitations

were dissolved. Schematic generalizations as little free the individual from concrete conditions as the mere discussion of the possible actions of angels places food into the mouth of a hungry man.

It needs but a momentary glance to perceive the economic massiveness of the virtue of truthfulness in the form of promise-keeping. The immense development in modern times of credit economy presupposes this virtue more and more. We have seen its significance in tribal preservation; the entire history of human social development presupposes it all the while. In fact the fundamental economic pursuit in associated work is so steady and constant an influence in this direction that one is apt to overlook the economic stimulus, just as one is more struck by peculiarities of heredity than by the overwhelming mass of experience of heredity involved in "like produces like," or in the old doctrine of the fixity of biological species.

Kant continues as follows: "I do not therefore need any far-reaching penetration to discern what I have to do in order that my will be morally good. Inexperienced in the course of the world, incapable of being prepared for all its contingencies, I only ask myself: Canst thou also will that thy maxim should be a universal law? If not, then it must be rejected, and that not because of a disadvantage accruing from it to myself or even to others, but because it can not enter as a principle into a possible universal legislation, and reason extorts from me immediate respect for such legislation." He then goes on to indicate that even the commonest man being bound to perform acts daily must possess the knowledge requisite to decide what duty is. (There is a curious ambiguity as to the origin and the meaning of this "bound" and this "must.") With this common man, Kant contrasts the philosopher or quasi philosopher who often enough simply perplexes judgment by a multitude of counsels.

Unfortunately the ease and the simplicity of using Kant's test is more in the representation than in the facts themselves. Let the average man consider principles of a possible universal legislation and it will be readily seen how vague the Kantian

test may be. If even our practiced legislators can not adequately draw up and predict the outcome of ordinary legislation, a legislation for a universe of pure-reason creatures would quite surpass the average man's best endeavors. The only possible Kantian legislation would be of an indeterminate character such as is found in "be good," "be truthful," "duty for duty's sake," but such schematizing work is remote indeed from the practical man's field of operations. The universal legislation of the common man is apt to be only a reflex of a generally diffused zeitgeist, or "spirit of the times," decisions in conformity with a set of presuppositions and tendencies not at all analyzable by such men. The facts expressed by Kant point rather to the dominance of the social tribal self, the subordination of the private self to the social self; the pressure of present conditions molding a mass psychology in conformity with themselves, and hence a "universal legislation" impulse and expression congruent therewith. Abstracted, generalized, schematized, this universal legislation takes on an absolute static aspect. But social changes and economic developments split the fixed schema asunder. History shows this to be the fact. Neither Kant nor anyone else can permanently nullify the forces of living nature and its changes.

TRANSITION TO METAPHYSIC

Kant in the next section of his book makes the transition from popular moral philosophy to the metaphysic of morals. As he here practically repeats with greater detail and greater abstractness the ideas just handled, it will perhaps be sufficient for present purposes merely to point out here and there some things to emphasize the preceding suggestions.

(a) The abstract schematic character of Kant's representation. From experience "one can not find a single certain example of the disposition to act from pure duty." "In fact it is absolutely impossible to make out by experience with complete certainty a single case in which the maxim of an action however right in itself rested simply on moral grounds, and on the conception of duty." "I am willing to admit out of love

of humanity that even most of our actions are correct, but if we look closer at them we everywhere come upon the dear self which is always prominent * * *." "* * * one may sometimes doubt whether true virtue is actually found anywhere in the world, and this especially as years increase and the judgment is partly made wiser by experience and partly also more acute in observation." Now a doctrine, which gets seemingly as remote from actual life as this, might well be questioned as being a legitimate representation of human affairs. Of course as a matter of abstract schematic rigor of treatment, one can grant the position; but it forces one to ask whether Kant is not dealing with some illusion, with a construction such as phlogiston or levity as chemical and physical principles.

(b) Kant's demand for finalities, or complete certainties. We see this in the above so far as he is unable to find with complete certainty "a single example of the disposition to act from pure duty." This quest obsesses Kant, it is the demand of a static metaphysics. It is strictly consonant with thoroughness of treatment. Lay down certain principles as given, then within these limits certainty should be attainable. But the next question is the adequacy of these principles to represent real things. The Ptolemaic astronomy was such a representation; reality destroyed the image. Similarly with the Kantian quest. Kant will have an unbreakable finality. The history of ethical development should show the improbability of realizing such an expectation.

(c) Kant's extension of his schemata beyond their known application. Kant can know "pure reason" only from his knowledge of it in human experience. His morality is deduced for pure reason beings, and yet "unless we deny that the notion of morality has any truth or reference to any possible object, we must admit that its law must be valid not merely for men but for all rational creatures generally, not merely under certain contingent conditions or with exceptions, but with absolute necessity, then it is clear that no experience could make us to infer even the possibility of such apodictic laws. For with what right could we bring into unbounded respect as a univer-

sal precept for every rational nature that which perhaps holds only under the contingent condition of humanity?" This idea recurs again and again. Kant thus appears to gain an extension for his system and a high sublimity, adding thereby an enormous weightiness to his propositions. But it is after all only an illusion generated by pushing abstractions wholly beyond any possible verification; or otherwise expressed, it is treating an hypothetical construct as if it were a genuine reality. Rational creatures beyond the earth are not known. What man would be, divested of his earthly framework, no one can tell. The "absolute necessity" called for by Kant is only the necessity of consistency; words recurring in the same discussion should have an identity of meaning. There seems no weighty mystery in all this. We have such "absolute necessities" a million-fold every day in every bit of genuine reasoning; fixed consistency of representation is no guarantee of fixity in real relations.

(d) Kant constantly lapses back into the empirical consciousness which he would schematically disregard. Notwithstanding the first flaw, namely, that even of "pure reason" we have our first knowledge only in experience, we still learn that "there is one end, however, which may be assumed to be actually such to all rational beings (so far as imperatives apply to them, viz. as dependent beings), and therefore one purpose which they not merely may have, but which we may with certainty assume that they all actually have by a natural necessity, and this is happiness." * * * a purpose, "which we may presuppose with certainty and a priori in every man, because it belongs to his being." "* * * all the elements which belong to the notion of happiness are altogether empirical, i. e. they must be borrowed from experience." The apriorism which the combination of these two propositions would yield should seem rather curious indeed. One sees here also the shadow of the doctrine of "the natural rights of man," so much debated in Kant's time. "Rational nature exists as an end in itself. Man necessarily conceives his existence as being so." Here we have the embryo of "natural rights," and the abstract extension

of what is at bottom only the instinctive aim and struggle for empirical self-preservation.

One sees the same lapse repeated, more especially in connection with the hints and the references to effects, social, political, and economic, whereby Kant's system of ideas appears to grow. Thus: "* * * the conception of the moral law exercises on the human heart by way of reason alone (which first becomes aware with this that it can of itself be practical) an influence so much more powerful than all other springs which may be derived from the field of experience, that in the consciousness of its worth it despises the latter and can by degrees become their master." All of which knowledge is only a transcript of human experience and of growth in spiritual pride. Kant's supreme principle for all rationals must yet admit that "practical rules must be capable of being deduced for every rational nature, and accordingly for man." That is to say, provision at least is made for the introduction of an empirical content into Kantian "pure reason" ethics. "Everything in nature works according to laws." "Rational beings alone have the faculty of acting according to the conception of laws, i. e. they have a will." "* * * if the will does not in itself completely accord with reason (which is actually the case with men) etc." All these claims of knowledge are impossible without concrete experience. Such conceptions as law, obligation, commands, are abstractions from actual social life. Interest, dignity, mental disposition, universally valid legislation, categorical and hypothetical imperatives, something whose existence has in itself an absolute worth; perfect and imperfect duties, that is, those which can and those which can not be enforced by external law; the real legislative authority of duty; a kingdom of ends; a union of different rational beings in a system by common laws; members of such a kingdom, subjects and a sovereign thereof; market value, fancy value, intrinsic worth or dignity; freedom, autonomy;—all which terms abound in Kant,—these things are reproductions, in abstract schematic form, of concepts and relations manifested in our daily lives; they are impossible apart from experience, just as im-

possible as it is for sage or poet to depict heaven or hell except in terms derived from human experience, there being no other language which man can understand. It is not that we are objecting to abstractions and generalizations taken from experience and systematically arranged. All science is just this thing. The point we would make is that the abstractions shall not be such as to totally cancel the experience from which they are taken. From experience they must return to experience. The question is, was it necessary so to divorce real ethics from all experience as to make any return a questionable possibility? Could not a truer basis of explanation be found? Even if man have a pure rational part that shall survive in an immortal life beyond the grave, one can see no valid reason why the principles of conduct appropriate to that condition should be transferred to the present life, just as if the conditions of sensuous earthly life made no difference in the situation. What would be said of a scientist who did not evaluate a factor which affected every aspect of his problem, or who treated such a factor as insignificant? Yet not for one week can any "pure-reason" mortal disregard the commonest economic and physiological needs without likelihood of death. Kant's moral principle is only a problem exercise. His morality is not human morality.

Kant makes the freedom of will the sole principle of morality. He discusses other principles such as happiness physical or moral, perfection, and the will of the deity. One needs not do other here than point out that Kant more or less on empirical grounds condemns them all, as contrasted with his own schematic finalities. Thus though he admits that the "laws whispered by an implanted sense are better than nothing." still 'they lack that universality valid' "for all rational beings without distinction; the unconditional practical necessity which is thereby imposed on them is lost when their foundation is taken from the *particular constitution of human nature* or the accidental circumstances in which it is placed." 'The principle of *private happiness* is the most objectionable, for it is false, is contradicted by experience, contributes nothing to establish

morality, and worst of all puts the motives to virtue and to vice in the same class and thus extinguishes the specific difference between virtue and vice. The doctrine of the moral sense is to substitute feeling for reason; but feelings naturally differing infinitely in degree can not furnish a "uniform" standard of good and evil, nor has any one a right to form judgments for others by his own feelings. The doctrine of perfection is empty and indefinite and consequently useless for finding in the boundless field of possible reality the greatest amount suitable for us. Moreover in trying to explain, it inevitably tends to turn in a circle. Nor can we appeal to the divine perfection, for of the divine we have no intuition; we deduce it only from our own conceptions, the most important of which is that of morality. Our explanation would thus be a gross circle; other conceptions of the divine will as glory, dominion, might, and vengeance are conceptions, which directly oppose morality.' In all this we see plainly enough that empirical grounds or their abstract schemata derived from experience are placed in opposition to Kant's. It is therefore impossible to exclude those empirical considerations which Kant would have us wholly disregard.

(e) Here we return to Kant's test of morality. "Act only on that maxim whereby thou canst at the same time will that it become a universal law. Since the universality of the law according to which effects are produced constitutes what is properly called nature in the most general sense (as to form), * * * Act as if the maxim of thy action were to become by thy will a universal law of nature." In this version, Kant is evidently seeking to swing his formalism back into the sphere of real existence. More life, vigor, concreteness is needed. He then recurs to the example of the suicide for testing his case.

"A man reduced to despair by a series of misfortunes feels wearied of life, but is still so far in possession of his reason that he can ask himself whether it would not be contrary to his duty to himself to take his own life. Now he inquires whether the maxim of his action could become a universal law

of nature. His maxim is: From self-love I adopt it as a principle to shorten my life when its longer duration is likely to bring more evil than satisfaction. It is asked then simply whether this principle founded in self-love can become a universal law of nature. Now we see at once that a system of nature of which it should be a law to destroy life by means of the very feeling whose special nature is to impel to the improvement of life would contradict itself, and therefore could not exist as a system of nature, hence the maxim can not possibly exist as a law of nature, and consequently would be wholly inconsistent with the supreme principle of all duty."

Now besides a number of subordinate objections, one can readily see that Kant has here either begged the question by shifting the ground, or that he is testing by results the morality of an act when fully universalized or generalized, (which act in practice need however never be regarded universally). "From self-love I adopt it as a principle to shorten my life when its longer duration is likely to bring more evil than satisfaction." If now everyone else, if every rational being, be permitted to act upon the same principle, there seems to be no destruction of the universality of this maxim. Everyone may act similarily; suicide is therefore not contrary to duty. A likelihood that a continuance of life will bring more evil than good is the test. Apply the test fairly as intended; let every one do the same, and act accordingly. No exception being made, the requirement of Kantian universality of legislation is satisfied. Of course Kant would not accept this. He therefore shifts ground to a "universal law of nature;" next he cuts out the qualification or condition expressed in the maxim, and further places a rather arbitrary interpretation upon the end, aim or function, of feeling. The condition expressed is the rational likelihood that more evil than good will ensue from further duration of life. A system of nature of which it should be a law to destroy life under these circumstances is not a contradiction or destruction of itself. The condition implies that so long as a preponderance of good as a possibility shall exist the purpose to suicide shall not go into fulfilment. This permits

the continuance of the system so long as more good than evil results. If the system infallibly results in more evil than good, then every one would say the sooner it perishes the better. Kant, however, would not accept this. Kant would imply that existence on any terms is to be preferred by a rational being, though he elsewhere tells us that "the sight of one devoid of all features of a pure and good will enjoying unbroken prosperity can not satisfy any rational impartial spectator," and to avoid this latter possibility he in the end creates God, freedom, and immortality. He therefore implies a causal relation between goodness and happiness. But the reverse is just as true; a system in which evil, or unhappiness, should continuously outweigh the good ought to perish. The thought, that the special nature of the feeling of misery or evil is to impel to the improvement of life, is of course a comment, not a priori, but derived from experience itself. Kant's use of it here has force only because of the manifold cases exhibited in real life, where a happy exit from threatened disaster has been found. In other words the argument gets its power from empirical cases. But the original proposition assumed or implied convictions on rational grounds. Grant the grounds, and the morality of suicide follows. Shift the grounds, and the real argument rests upon empirical chances or results. That "a system of nature of which it should be a law to destroy life by means of the very feeling whose special nature it is to impel to the improvement of life would contradict itself, and therefore could not exist as a system of nature" means no more than that at one moment the system exists, at some other moment it may not exist; this is a recurrent phenomenon of experience; there is nothing surprising about this fact. The real trouble would be to conceive first that the system must continue to exist always, and at the same time to contain within itself the necessity that it must some time come to an end. In other words, Kant here implicitly begs continuance in existence as he does explicitly in his "Critique of Practical Reason" p. 133. His proof therefore of the immorality of suicide as a breach of this continuance is a mere petitio; the

argument is worthless, and despite Kant's authority should have no weight with a reasonable man.

Now life, or rather its inviolability, is simply an expression of the instinct of self-preservation; its continuance is the postulate of all economic and other human struggles; it applies to the social self and to the private self. It is also the postulate in all efforts for social and individual improvement. If any one deny its validity, all hold upon such a person is lost precisely as all hold is lost upon him who declines to accept Kant's categorical imperative, the command to be just or righteous, in a word to be a good man. The social answer is that if society is to hold fast to the postulate, it must seek to renew the force of the postulate for and upon the denier. Unless this can be done, it were both useless and a needless social expense to try to constrain him.

Kant next returns to his example about promises, the borrowing of money under necessity, knowing that without the promise the money will be withheld, and knowing also that repayment will be impossible. We have already touched upon this example, but from the side of truthfulness. Here we shall touch it briefly upon its economic side. Now one sees in Kant's statement that he presupposes certain economic relations as continuing fixed or unquestionable; property relations, an exchange economy, individualistic exclusive ownership, which may override, if the holder will, the necessities of all other persons. Since the origin and the conditions of the guarantee of these economic and social relations do not enter into Kant's reckoning, hence also the character of the "necessity" weighing down the borrower is not considered. The maintenance of the *status quo* is begged. Now if this *status quo* be regarded merely formally, if the example be put merely as an abstract problem-exercise, then it follows from mere consistency that if any one accepts to abide by these conditions, he must conform with them on peril of inconsistency and contradiction. It likewise follows that if promise-breaking were universalized, a system of nature based upon these presuppositions would be annihilated, at least as regards

borrowing on promises. But all this is simply such a case as white is not black. A is not non-A.

When, however, one steps out of this formal compartmentalization into real relations the whole aspect of the matter changes. The abstract generality fixed and immobile had sloughed off concrete conditions. Consistency or self-agreement alone remained as the ultimate test. But in the revised conception, the conditions of concrete existence come thronging back. Even in the formal case those, who would not accept the *status quo* as something to be maintained, were not bound to abide by its conditions; they were in no peril of inconsistency or contradiction. The Kantian test failed in their case. The situation is much the same when the question has ceased to be one of a merely schematic world. In the real world, the origin and the social results of principles count; the character of the "necessity" counts; the economic relations count; the million-fold interests, passions, weaknesses and powers of man and of nature count. Dream ethics of "pure-reason" "angelic" hosts evaporate; real, blooded, solid social customs tread the earth. Only from the fact that Kant in his ethical system-building repeatedly returns to the real world, and as it were filches from it a bit of reality for his system, does he manage to give to his formalism the semblance of actuality. Antaeus-like he gains his power from the earthly ingredients. With his schemata as such and the corresponding morality there is here no quarrel; rather, perfect agreement. The quarrel is with the adequacy of his schemata as representing life. Real social and ethical history tear his forms into pieces. Those who do not accept his presuppositions are not caught in his net; or if you will, in concrete life a contest is on.

In such a contest there are those contending for one set of concepts, principles, or ideals; there are others contending for a different set of concepts, principles, or ideals relating to the same subject-matter. A temporary equilibrium is established, or one of the contesting bodies is overthrown or annihilated. Peace and some sort of formularies are established, until another opposition party is born, or a new center of dis-

turbance is generated; and then a new contest develops. History shows that for the most part these centers and causes of strife bottom on economics direct or indirect. The ethics follow the economic struggle. This, one can the more readily believe, when one sees that even the abstract Kant seeks to give distinctness and clarity to his expositions by examples taken from the economic field.

(f) One may repeat here what was said above,—let one apply to Kant's various propositions the ideas of a social self and a private self, with the postulates of the continuance of social relations, and one will readily enough be able to reinterpret Kant's words in a sense, not so rigidly schematic of an abstract individualism, but much nearer to the moving realities of human earthly life.

MORALITY PRESUPPOSES FREEDOM

Kant finally bases his moral philosophy on the freedom or autonomy of the will, 'that property by which it is a law to itself.' 'A mere analysis of the conceptions of morality shows their sole principle is the freedom or autonomy of the will;' Thus comes into view the age-long dispute about freedom and necessity. It is not the purpose here to enter into this jungle of schemata pushed to or beyond workable limits. Only a few notes. Kant defines thus: "The *will* is a kind of causality belonging to living beings in so far as they are rational, and freedom would be this property of such causality that it can be efficient, independently of foreign causes determining it; just as *physical necessity* is the property that the causality of all irrational creatures has of being determined to activity by the influence of foreign causes." Kant identifies the proposition that the will is in every action a law unto itself with the principle of morality, act as if thy will were to be a universal law; hence he who grants the full reality either of freedom or of Kantian morality must accept the other from mere analysis. "Freedom, however, we could not prove to be actually a property of ourselves or of human nature; only we saw that it must be presupposed, if we would

conceive a being rational and conscious of its causality in respect to its actions, i. e. as endowed with a will." Now though the principle of autonomy and that of the moral law are thus identified, 'why should I as autonomous rational being subject myself to this principle of the moral law. It is necessary to discern how this comes to pass. The difficulty is still greater when one considers that beings similar to men are affected also by springs of another kind, viz. sensibility.' The question is "*whence the moral law derives its obligations.*" "It must be freely admitted that there is a circle here from which it seems impossible to escape. In the sphere of efficient causes we assume ourselves free in order that in the sphere of ends we may conceive ourselves as subject to moral laws, and we afterwards conceive ourselves as subject to these laws because we have attributed to ourselves freedom of will, i. e., we derive our freedom from the subjection to the moral law, and then we explain our subjection as resulting from freedom." How avoid this "circle"?

"One resource remains to us, viz., to inquire whether we do not here occupy different points of view, when by means of freedom we think ourselves as causes efficient *a priori*, and when we form our conceptions of ourselves from our actions as effects which we see before our eyes." Kant here falls back upon his former work, "The Critique of Pure Reason." Man is both of this world and above this world, he is a mysterious "thing in itself" and a creature of sensuous experience; a member of the intellectual world, angels, higher spirits, and a member of the world of sense here below, with a body and all its needs and desires. 'The world of sense may be different according to the difference of sensuous impressions in various observers, while the other (intellectual) which is the basis of the world of sense always remains the same.' * * * "Even as to himself, a man can not pretend to know what he is in himself from the knowledge he has by internal sensation. For as he does not as it were create himself and does not come by the conception of himself *a priori* but empirically, it naturally follows that he can obtain his knowledge even of himself only

by the inner sense, and consequently only through the appearance of his nature and the way in which his consciousness is affected. At the same time beyond these characteristics of his own subject, made up of mere appearances, he must necessarily suppose something else as their basis, namely, his *ego*, whatever its characteristics in itself may be."

The above quotation looked at closely shows clearly that Kant is caught in the web of experience even for his apriorism, that his apriorism is only the matter of making rigid abstractions and pushing these abstractions to or even beyond any verifiable limits. He thus has pushed his principle of all morality into a realm not to be explored, nor are the connections of this "higher" world with the world of sense made explicable. Merely this, in order to hold a position, Kant transfers by a thrust and throw his foundation into a place where it can not be attacked, since by hypothesis the region can not be approached, and yet he does not hesitate to assert that this conjectured realm is the only solid part of the abandoned world of experience. The last refuge of the intuitionist and the mystic is ever—a mystery.

PURE REASON ETHICS AND REAL LIFE

How the "pure reason" is to subject the sensuous side of man to itself and to morality Kant can not make plain. "In order indeed that a rational being who is also affected through the senses should will what Reason alone directs such beings that they ought to will, it is no doubt requisite that reason should have a power to *infuse a feeling of pleasure* or satisfaction in the fulfilment of duty, that is to say, that it should have a causality by which it determines the sensibility according to its own principles. But it is quite impossible to discern, i. e. to make it intelligible *a priori* how a mere thought, which itself contains nothing sensible, can itself produce a sensation of pleasure or pain; * * * it follows that for us men it is quite impossible to explain how and why *the universality of the maxim as a law*, that is morality, interests. This only is certain, that it is not *because it interests* us that it has validity

for us (for that would be the opposition of freedom, and the dependence of practical reason on sensibility, namely on a feeling as its principle, in which case it could never give moral laws) * * *." A strange blind alley it seems; 'it is no doubt requisite that reason should have a power to determine the sensibility according to its own principles, but if it does so in order to interest us in morality the morality perishes. Why this great endeavor to escape the empirical quality of morality, if in the end we can not discern the reality of the principle of pure morality, or even conceive how to get the pure doctrine to work in connection with the physical man? Or what shall we say of a morality which resting in an abstract separation of soul and body can not rebridge the chasm and render more explicable the bodily relations and the social empirical morality which the ultra-earthly system affects to despise?

As an exercise in schematic abstraction Kant's moral philosophy is more or less masterly indeed. But in the end it only starts more strongly the doubt. If so elaborate a structure to insure a pure unempirical system of morals after all leads into a blind alley, if while despising the empirical it still to the last can not move without the empirical, and if with all its labor it can not clearly show how to make man responsive through sensibility to the commands of pure reason, one must certainly raise the question, whether the structure were after all quite worth the trouble which it cost. Why not at once work up a relatively compact moral edifice, even though only a temporary one, live in it as long and as comfortably as possible, repair, abandon outworn portions or else then build anew? Just this in fact is what the world actually does, and has done these thousands of years.

"THE CRITIQUE OF PURE PRACTICAL REASON"

Into Kant's more formidable work "The Critique of Pure Practical Reason," we need not enter. Its content is merely an elaborate repetition of the preceding ideas. In it we become aware that the entire Kantian morality bases simply upon some faulty psychological analysis, namely, the origin and the inter-

pretation of the attitude of the mind in the presence of the moral law. For example: "Ought a man do such or such an act"? may be in question. Suppose the man says that he is conscious that he ought to do the act. Since he ought, Kant adds, "he judges therefore that he can, he recognizes that he is free, a fact but for the moral law he would never have known." Now the keypoint here is simply—a cluster of psychological facts. Kant accepts merely the surface interpretation. He passes by any critical question as to the constituents, that is, the genesis of that consciousness. *Kant's whole analytic of morality rests upon this one point.* But the world, freed at last from the dogmatic theological dominance of the middle ages, cuts far deeper into psychology. The evolutionist with his historical comparative and genetic psychology brings down into ruins with one vigorous shake the whole edifice of Kantian ethics.

"GOD, FREEDOM, AND IMMORTLITAY"

The crown of Kant's labors is that he finally attains to God, freedom, and immortality, as the ultimate bases upon which he rests his moral philosophy. For present purposes the most remarkable thing about this solution is the fact that, in spite of all Kant's abstractness and avoidance of the empirical and contingent, actual empirical demands make their reality and power dominant. Kant will have nothing to do with results or consequences as tests of morality; happiness as a motive utterly taints the fountain of moral purity. But in order that morality should be conjoined, even in pure rationals, with happiness, felicity, blessedness, that is, an agreeable state of consciousness, Kant demands immortality as a field wherein this conection shall be realized, wherein the apparent failures in this life to secure proportionality between goodness and happiness shall undergo a proper adjustment; besides this he demands the existence of the Deity as guarantor of such compensating amendment. Kant sloughs off with seeming success many empirical elements. It is significant indeed to find the serpent's skin of empiricism in large though thinnish folds at

the end of the entire progress. Economic, social, and physical wrongs and weaknesses are all too evident in our daily intercourse. Kant lifts us by abstraction into purer realms; angels wing their way about us; we ourselves are of the same spiritual tribe. The failure in our concrete lives to get the justice and the happiness that belong to us, (as it is said), the insistent demand that the hire be worthy of the laborer, that each have an equal right and title to enjoyment, to happiness, to a fair chance, to a healthy body, to a decent home, and to an honorable livelihood, all this is familiar to the concrete empirical man, as are also the pressure and the power of physical, physiological, psychological, and economic influences and necessities. The demand of each for a full life, however narrow or limited the idea of a full life may often be, the demand that here on this earth social worth should be commensurate with social means, in a word, justice and contentment should go side by side, this demand of earthly economic-ethics reappears in the end in a disguised form as the last refuge of the abstract Kant. Out of the feeling of oughtness—origin not explained by Kant, but explained by evolution—Kant begets God, freedom and immortality, in order that the earthly demand should finally secure realization. Thus Kant's schematic apriorism commits a transcendental suicide. God, freedom, and immortality is Kant's solution of what is at bottom for the most part an economic problem; economic for the bulk of social injustice, of social and individual unhappiness, rests directly or indirectly upon economic inequality. The pervasiveness of economics can hardly be more perfectly illustrated than by Kant's ultimate postulates or conclusions. If then a Kant fail to escape the empirical and the economic, thinkers less vigorous and less abstract may take heart and work for a result less final than Kant sought. An abstract fraction of human life, the "pure reason" figment, needs not be galvanized into a quasi independent entity whose existence shall reach beyond the grave, with a consequent inversion of the relative values of the present and the future worlds, and with an utter confusion or uncertainty as to what should be the center of the

target of human aims. A workable system nearer to human needs may after all not be so despicable a moral code as Kant would have us believe.

KANT'S "PRINCIPLES OF JURISPRUDENCE

If notwithstanding its abstractness Kant's moral philosophy can not conceal its economic and empirical origin as regards content and movement, still more evident is this relationship when you follow Kant into the less abstract realm, the principles of jurisprudence, a realm of applied ethics, not one of merely general moral philosophy. Here you run upon "the social contract" as an "idea of reason," property rights, personal rights, the state, active citizens, passive citizens, governmental departments, legislative, executive, judicial, slavery, war, international law and so on. Kant is of course always seeking the "pure-reason" fundamental principles on which these phases of development rest. He expresses them with an air of certainty and static finality. Apparently he leaves you in no doubt that consciousness or reason is the driver and determiner of the empirical facts. But as you read on with practiced eye, it becomes almost comical how easily you can see that the concrete social, political and economic relations and ideas of his time dictate his "pure-reason" derivations, and how readily he can bend his "pure-reason" deliverances to fit the exigencies of his day. You see that a ghostly abstraction of the actual and historic relations which result from social and economic struggles is reflected from or upon the mirror of the consciousness that is generated in and by the struggles. This reflection expressed in general terms is represented as the *prius* and driver of the variegated tumultuous procession. The product and result is presented as the cause. The formal systematizing character of the whole is forced upon your attention. Or in other words, concepts, definitions, fixed principles are pushed to or beyond their bounds, and the whole is regarded as presenting a reproduction of the realities of experience. However the real, the long-range economic, breaks through so vigorously that one can scarcely wish a better proof of the Marxian

evolutionary position that economics mold the phases of consciousness and not conversely, than to read Kant's "Principles of Jurisprudence." We can not here give details. We can only, on the strength of the preceding discussion, invite a doubting reader to make a trial for himself.

ORIGIN OF ETHICAL FINALITIES

Kant gives in his "Critique of Practical Reason" a clear enough statement how his ethical finalities are evolved. "We become conscious of pure practical laws just as we are conscious of pure theoretical principles by attending to the necessity with which reason prescribes them, and to the elimination of all empirical conditions which it directs." It will perhaps be worth while to take a broad view of Kant's general procedure in order better to estimate his ethical apriorism. We may thus see how it comes that such rigid constructions get so far from concrete facts, how they persist in assuming certainty and finality, and yet after all wither away in the lapse of time.

SUBJECTIVE AND OBJECTIVE WORLDS

The whole problem arises from two or more elements: (a) the desire to know reality with (b) some degree of changeless certainty. Apparently each conscious mind is somehow an isolated individual, enclosed within or completely tied to a body occupying a separate portion of space and of time. A vast universe fronts each person, of which universe that person is a part. The mind somehow mirrors in consciousness the outer world of matter and that of the inner self, and their relations one to the other. Each offers to the conscious mind an infinity of occurrences in its own realm, and another infinity entangling the two realms together. Each science is an attempt to collect and to systematize certain kindred aspects of these realms. Some sciences seem to be wholly concerned with the outer world, wherein man has neither part nor parcel, other than to observe, record, and systematize, as in astronomy, inorganic chemistry, and the like. Other sciences seem to be wholly concerned with the inner world, such as psychology, and logic.

In these, man is as it were analyzing himself more or less. He may seem for a time to remove himself as far from the outer world as the outer world of astronomy is removed from him. Plainly, however, as seen from the preceding discussion of Kant, the outer world with its influences breaks through the barriers—the inner life is more openly conditioned by external elements than conversely. It is not the business here to follow out these views; rather it is to try to understand how metaphysics, physics, astronomy, psychology, and so on, arise as sciences, and run into rigid extremes or finalities.

SCIENCES ARE FACTS PLUS FORMULAS

Each science consists of a group of kindred phenomena tied together or systematized according to ideas or principles. At bottom each individual passes through a series of conscious experiences; he is a living, continuous stream of sensations, thoughts, and emotions, having certain parts relatively more significant or noticeable than other parts. Day after day for example the same furniture in the same room defines with increasing clearness permanent features in each person's continuous consciousness. Unified objects are thus as it were deposited, or constructed in, out of, or from the elements of that stream. In the immense variety of human relations every person is intentionally or unintentionally undergoing more or less the same processes. The wonderful art of communication enables persons to compare and to identify like elements of their experiences. Thus come the "facts" which constitute the groundwork of sciences. Further comparison shows that these "facts" are more or less closely connected. The problem of a science is so to group kindred facts by explanatory or connecting principles and formulas that one may pass from fact to kindred fact in a secure, constant, and reliable way. That scheme which connects the greatest number of facts by the securest, the easiest, and the most reliable bonds takes precedence over any other scheme seeking the same object, namely, the explanation or the connecting up of known elements.

Thus to take the old example: the Ptolemaic astronomy which placed the earth as the center of the apparent revolution of the stellar universe explained or tied together a number of observed facts; sun, moon, and stars do at first sight appear to revolve around the earth. Even the wanderings of the moon and the planets among the stars were explained more or less by additions to the idea that they went round the earth. But when the motions of these wanderers were considered more deeply and with more detail, the machinery mentally conceived as necessary to explain the deviations, while yet retaining the central position of the earth, became more and more intricate. All this complexity the Copernican system wiped out by substituting the ideas that the sun is the center of the solar system, and that the revolution of sun, moon, and stars round the earth is but an illusion springing from the rotation of our world upon its axis. In no way have the astronomical "facts" of the senses changed. Simply the mode of tying the facts together is altogether different. Multitudes of other facts seemingly but remotely connected with astronomy are also found to be in harmony with the Copernican conception, which facts would be inexplicable on the Ptolemaic system. Hence the impossibility of ever going back to the Ptolemaic explanation. Similarly at one time the evolution of society, of the family, of the state, was patterned after the poetry and the facts in the biblical story. Fuller knowledge of human society in all grades of civilization and in human history completely upsets the patriarchal theory of society, of the family, of the state. The like is true of all sciences more or less; so that no one now expects to present any final view of any science whatsoever.

Similarly philosophy, theology, metaphysics are only attempts to understand the universe of reality at large, to frame up as it were an explanation more comprehensive than that possible to any one particular science. Since each particular science deals with only a limited set of kindred phenomena, an attempt to handle all phenomena from some one or more points of view may possibly be made. Such ambitious attempts

bear the names of philosophy, theology, and metaphysics. It is of course just as evident that these attempts can as little escape the influence of growth in the knowledge of facts as can the particular sciences themselves.

The Ptolemaic astronomy is an illustration of a principle, of a schematization, gone to ruin. Literally every exploded doctrine of science, of philosophy, or of theology presents a like picture. We seek explanations of facts or groups of facts; some sort of explanation is seen or devized. Everything possible is squeezed into this formula, principle, compartment, or schema. It is right to do so; the more we can cover by it, the stronger its hold upon us; for, it represents the most economical expenditure of mental energy necessary at that moment to understand or to manage the complexity of nature surrounding us. Often to some persons it becomes a finality indeed, fixed, unchangeable, unbreakable, as objective as the facts themselves. In many cases it becomes in time not an aid but a clog or a fetter. New data accumulate which no amount of squeezing can force into or under the formula. Either the new items are rejected as insignificant, or else the walls of the compartments are burst asunder. Thus the patriarchal theory of society is split into fragments by the hosts of facts inexplicable by it. Rather the patriarchal family is nowadays seen to be a special result of special causes. Just as little could the central position of the earth in the solar system resist the pressure of new knowledge.

Now from any schematic or explanatory idea necessarily flow certain consequences, namely, those involved in the very meaning or content of the idea. This meaning must unfold itself in any new application of the idea, that is, the new phenomena and the full content of the idea must cohere. For example: If the path of a planet be thought to be circular, then other things unchanged, the planet must be found in a certain part of the heavens at a given time; or again, a straight line of a given direction must pass through two positions of the planet after movement for a given time. If the planet be at the predicted place at the time set, then a sense datum,

namely, a speck of light in one part of the heavens, has been connected up with other sense data, namely, the same speck of light in other parts of the heavens. So far as it goes, man feels that he has in such a case a constraining grip upon real things; because from the necessity involved in the explanatory idea, he has been enabled to step securely to a new sense experience. On the other hand if the planet be not there at the appointed time, he is in the presence of another necessity, one unmanageable by him. His formal schematic necessity has gone wrong. The circular orbit idea must be abandoned, or some other correction must be made.

The above illustration is to be taken as typical of all explanations whatsoever. We have sense data; necessities are involved in them, which are quite beyond control. We have connecting ideas, which having a content or meaning have also the necessities contained in those meanings. But these two classes of necessities are often confounded. Though the formal necessity is at bottom a deposition from experience, it acquires a kind of independency so as to enable it apparently to oppose itself to new sense data — the part rebels against the whole. Since the object of science is to thrust schematic necessity into nature, that is, to cover over sense data inner and outer as completely as possible with explanatory ideas, such that their intrinsic necessity shall cohere with that of the sense data, it easily happens that theory conflicts with facts; a part of experience is opposed to the whole. There are, however, some relations so pervasive as those of space, number, similarity, causality and so on, that the above distinction seems difficult to hold firmly; the tendency to blurring becomes almost insuperable. Hence the extension of the confusion to other fields also. It seems desirable to examine this last position of apriorism in order to understand and, if possible, to destroy the Kantian contempt of the empirical and of empirical ethics.

DEPENDABLE REGULARITY AND CONSISTENCY

As to causality: This lies in the realm of facts; its necessity is called physical, mechanical, real; it is thought to be the

expression of some kind of force. The interaction of material things represents real necessity. Commonly we say that bodies move towards one another, nothing preventing, under the force of gravitation, that a train must move because of the tractive force of the engine, and so on to infinity. Thousands of fantastic conceits have been woven out of this idea of power and of the necessity accompanying it. Numerous distinctions are made as regards the manifestations of energy; there is electric force, magnetic force, light, heat, gravitation, chemical affinity, nerve force, and so on. One of the generalizations of modern science is the persistence, correlation, and indestructibility of physical force or energy. Necessity is supposed, or is said, to be the constant bond among the various manifestations. Certainty and mystery are with some held to be the characteristics of external causality. But more and more to-day scientists tend to avoid all this theorizing of a metaphysical character concerning the nature of this or that force. They tend to state the relations between objective facts in descriptive or mathematical formulas which shall express in quantitative and qualitative terms merely the regularity of the sequence or connection perceived. The "necessity" becomes merely dependable regularity. A new kindred fact not explicable by the formula means either that some factor unexpressed in the previous formula was overlooked but was constant, or else that a new factor must be introduced and its constancy be assumed under certain circumstances, or else again a totally new formula must be sought. In any case finality or metaphysical certainty is neither claimed nor expected.

Consistency may perhaps be taken as the general characteristic of the necessity involved in the realm of systematic knowledge. Every one understands that in the same discussion or problem terms must always have the same meaning, or at least the same reference; or if there be variation in application, that variation must move within understood limits. Thus the word, "circle," can not mean at once a square, a triangle, a plane figure whose boundary is everywhere equidistant from a given point. Similarly "representative government" can not

properly be taken as at once a kind of democracy and as an absolute despotism. The like is true in general of all terms. Failure to observe this requirement is adverse to intelligible communication and comprehension. Now every bit of consistent discussion represents this kind of necessity and finality. This sort of necessity is only another name for rationality of a certain kind. It is nothing but the coherence of part with part, and of part with the whole. Evidently it is quite as indispensable to a problem arbitrarily set up under fixed conditions and presuppositions, as to a system which aims to be a representation and an interpretative explanation of so-called facts of external nature. Given the rules of the game of chess as concerns board, moves, and so on, then within the fixed conditions laid down and implied, just so many possible variations can exist, neither more nor less. Each move in the hands of perfect masters, that is, those who know every possibility, has its one best reply. Every game should end in a draw unless indeed the privilege of moving first is itself in its results an unanswerable thrust. The necessity in chess is an analytic necessity, the necessity of identity or self-consistency. The conditions, instruments, and processes are fixed or settled. Chess games or chess variations are simply possibilities contained within and unfolded from the rules and the definitions of the game.

Hume sought to dissolve the mysticism surrounding the idea and the necessity involved in the causal relation, the mystery of how or why physical and other forces *must* be followed by such and such effects. He explained it as something resulting from mental habit or custom. He made use of the principle of the association of ideas, the principle of contiguity — elements of a compound experience recurring in consciousness tend to recall one another. He did not attack the necessity involved in mathematics. He regarded mathematics as analytical. Kant seized upon this point, and from this point arose in a sense his famous critical philosophy. For Kant regarded mathematics, not as analytic, but as resulting from a synthetic or combining act. It is next to see

how each of these positions may be accepted, and especially whether Kant thereby escapes from empiricism into apriorism.

KNOWLEDGE IS SENSE DATA SYNTHESIZED BY EXPERIENCE

First it is desirable to emphasize the representative character of knowledge, that knowledge is a something existing within or inside of the human mind. Knowledge is a mental representation of facts, truths, or relations of things which exist somehow outside of the mind. Thus astronomy for example is thought of in two aspects: (a) as a complex of interrelated things existing quite independently of any human observer whatsoever, and (b) as an internal systematic mental representation of these things and their relations. The things themselves and their relations are not in the mind of any or of all individuals; only the pictures or representations are there. A chasm is conceived to exist between things and our knowledge of them. Thus the image in the eye of the observer is not the object imaged, nor is the nervous disturbances in the brain either the image in the eye or the outer object imaged, nor yet again is the picture before or in the conscious mind any one of these things.

This distinction is clear enough in the case of each newborn child. The knowable world existed before the birth of that child; yet in time somehow the child acquires some sort of representation of the world. In this case one is sure that the child did not produce the external realities. The child got knowledge of them because they were in existence before the child, and because, as commonly said, they influenced his mind. Not merely the child, but every one else feels or learns that things are beyond his control. Thus when one places himself in certain conditions one can not avoid the resulting sensations. Thrust the naked hand into a flame and as a rule a burn results. Open the eyes and under proper conditions one must see. Here is a kind of physical necessity. Given certain conditions as antecedents and something else invariably occurs or turns up. This is learning from experience. Commonly we explain this by saying that external objects affect us. We communi-

cate with others and from them learn of things as yet not experienced by us. Thus we come to accept that reality is much larger than our personal knowledge of it.

Out of the contact or interaction of consciousness with the world external to it arises our knowledge of genuine reality. This contact is briefly termed experience. For the individual, real experience is a continuous streaming of consciousness, with this or that moment stressed by incidents more significant than those of other moments. Thus the real astronomy experiences of each are the recurrence of day and night, of seed-time and harvest, the aspects of the earth, of sun and moon, and the procession of the luminous points in the heavens at night, with occasionally a hairy-like star crossing the vision, or a meteor flashing across the sight, these together with all other senses impressions direct and indirect, facilitated by whatever instruments and processes, spectroscopes, telescopes, gratings, what not, which impressions are combined in the theoretical statements and descriptions. Out of these sense revelations is built the science of astronomy. A brilliant speck seen at night the astronomers tell us is a body a thousand times as large as our earth, the sun is an object more than a million fold as voluminous, and at other bright points are objects hundreds of times the volume of our sun. Theoretical astronomy is the representation of a system of bodies of unspeakable grandeur. Our sense-perceived astronomy, the broad varying earth, the dazzling sun, the mildly resplendent moon, the twinkling glittering points in the nocturnal heavens, these concrete bits of experience are held to be the centers of reality and real relations. The formidable representations in the books are the picture of what the real may be. For the sake of connecting up these bits of sense data the whole science has been elaborated. For these it exists, to these it comes back. Unless the apparatus permit us to pass securely from sensuous moment to sensuous moment, it has been constructed in vain.

Since congruity of the structure with sense experience is the final test, it is said here and in all physical science that

experience is the great synthesizer. Medievalists averred that there could be only circular paths for the planets, since a circle is a perfect curve; or that the sun could not have spots, for these were imperfections,—these and many other such assertions, but experience furnishes the sense-data which render such views untenable. Or with our thinkers, from some deduction of theory, such and such phenomena are to be expected. Bring the deduction to the test of experiment, and if sense does not give back the phenomenon demanded, all conditions having been fulfilled, a revision of the deduction is immediately undertaken. In this meaning then all science is synthetic; that is, experience furnishes the facts, the sensuous elements, which have to be co-ordinated. Any brand new fact such as Roentgen rays, aeroplanes, a new chemical, optical, electrical, or other discovery, these stand there together with, and just as solid as, the oldest of all known facts. Explain the connection of the old and the new as you will, they are here in experience, experience has synthesized them. Explanation must follow the facts. In this view mathematics are also synthetic, that is, the sense moments out of which mathematics are elaborated are elements joined together by experience or in experience; so far, mathematics are empirical.

AXIOMS AND POSTULATES

Mathematical axioms and postulates are generalizations of experience. Interpretation and analysis of them and by them are controlled by present and future experience. The evolutionist can hold no other view. If at one time the earth was so hot that no life as now known could possibly have existed, and if now the earth is peopled with millions of genera of plants and animals all having a genetic connection, then the growth of one form out of another can be conceived only as a resultant of accumulated experiences. The literature of evolution is the proof. Merely to suggest the process, let us pass over all lower forms of life, and trying to recall our own mental states as we familiarize ourselves with new fields of thought and action, imagine how we rise to the acceptance of the

axiom, "equals of equals are equal." We proceed as with the schoolboy. We retraverse briefly, crudely, the progress of the race. The length of two sticks, let us say;—these sticks or their equivalents are gone over again and again—not of course in racial life on set purposes to ascertain their equality — until at last experience has separated from the confused plexus of sense impressions the feeling or the perception of the likeness or equivalency of the two sticks as respects their length. In the growing boy's mind, in the savage's mind, there is here a dim, as it were, embryonic idea of equality. Additional trials with a third, a fourth, and other sticks, and not merely with sticks, but with multitudinous other sense objects, eventually give a clearer and clearer consciousness of the idea or concept which we call equality. The axiom, "equals of equals are equal," is thus only a phase or aspect of the very meaning of the word, equal. The axiom expresses tersely, and as if the idea of equality were already fully evolved in consciousness, the multitude of testings out of which the very idea of equality was fashioned or abstracted. The repeated testings need not be purely sensuous. Every representation by imagination, as reproducing a more or less exact image of the past, is an additional trial by experience.

If next the learner drop from consideration all elements of the sense experience save only those of magnitude and likeness, and if he set these up as definitely determined facts or ideas, and also posit his mode of comparison as a process, then clearly the subsequent treatment of any other experiences by means of these ideas and processes is nothing else than submitting these new data to an analysis, according to the definitions and axioms laid down. Congruity with the requirements already implicitly contained in the definitions, axioms, and processes spells necessity. Consistency in applying the terms and so on yields certainty. This necessity and certainty are merely logical; there is nothing mystical about them. Notice however that the question still can force itself to the surface, namely, how far the new datum actually does submit to the tests imposed. The new datum may split the formal

necessity into fragments. That one has here to do not merely with system formations but also with relations between things is evident from the fact that one can hardly deny that animals and plants perceive resemblances and differences; witness distinctions made by them between kinds. Nay, leaping the barriers of life and consciousness, does not every chemical and physical reaction or failure to react imply something analogous to the perception of resemblances and differences? Yet in these cases one raises no speculations about a consciousness of necessity and certainty felt by these natural objects.

With Kant $7 + 5 = 12$ is a synthetic proposition. Certainly in this equation synthetic elaboration somewhere is implied, but it is not the synthesis of pure intuition as Kant would have us believe. With Kant the mere analysis of 7 and of 5 simply as groups of units, and of addition as a combining act, will never give as a result the conception of 12 merely as a group of units. This is indeed true, but solely because he arbitrarily selects only a part of the total experience. The bare formula $7 + 5 = 12$ is similar to "equals of equals are equal" in the fact that it is merely a ghostly summation of ages of experiment. Ages passed by before our ancestors elaborated the concepts of 7, of 5, and of 12. Witness those savage tribes which are reported as not counting beyond 5. One can retrace the ages in watching a child's growth in appreciation of number conceptions, and of arithmetical processes. By insistent repetition, we force the child to acceptance of them. Our savage ancestors had to blunder through trial after trial. The pile of seven fish when joined with the pile of five fish yielded a body of sense impressions, which body again by separation gave back the sense impressions of the seven and of the five. Thus re-repetitions of such experiences eventually yield the conceptions of units, of sum, of 7, of 5, of 12, of equality, of addition, of substraction and so on. We to-day have stripped these sense deliverances free from entangling elements. We have a fixed conception of unit, of the process of addition; our units and symbols are named; our idea of equality is established. To us the mode of number formation has become a

process resting upon clear analysis. Hence the necessity and the certainty imbedded in our very definitions, axioms, and modes of operation. We have circumscribed the ideas and the methods as fractional aspects derived from experimental treatment of sense. Infallibly we grind out concordant, necessary, consistent results. Put into the hopper what you will, that is, try any other matter by the same tests; so far as this matter submits at all to this arithmetical treatment, so far must the result cohere with the fixed conditions of the tests. But the whole elaborate machinery came from empirical contact with the world. For all we can say, further experience may overturn the entire structure. To deny this as a possibility, as is done in many assertions of eternal and necessary truths, is to thrust into the heart of external nature and reality those fixed compartments or concepts which constitute our theories about nature or reality; it is to make reality and our knowledge, that is, our representations of reality, to be conterminous. If we hold to the fixed compartments or concepts, then indeed these necessary truths are in abundance, but they are likewise of no startling significance.

The history of the growth of mathematics, the constant rectification of divisional lines, the breaking down of old conceptions and definitions, the addition of new cogs and motions to the mathematical machine, to addition and substraction, the processes of multiplication and division; to units, the ideas of fractions and operations with them; involution and evolution; negative numbers; exponents, integral, negative and fractional; imaginaries; logarithms; calculus; quaternions; hyperspace—all these indicate how definitions, processes, concepts, and rules run into problems, when pushed analytically into limiting cases, so that the relatively schematic character of the construction is brought to light—to the great advantage of all concerned, for the breakdown of a knowledge machine has meant in the past an improved tool in its place.

The like seems true of geometry in all its forms. Our perceptions of space are empirical and have no other necessity in them than that of causality, which latter is an inexplicable

and transcendental mystery according to some, an indication of regular dependable connection according to others; a necessary and inevitable presupposition of all experience according to Kant. Our conceptions of space are schematic and are like all our other fixed concepts or ideas, axioms, and formulas, in the fact that the necessity of consistency adheres to them.

Our preceptions of space are empirical; at least in this meaning that in our concrete sense-life are involved those elements out of which we elaborate our conception of space. What sort of reality space may have, has been discussed for ages. To some it is a kind of real existence or substance-like thing; to others it is merely a relation, not an independent entity; to Kant it is a form, quality, power, or function of the human intelligence which forces the human mind to arrange its sensations in this order. But that it is not solely a human function seems to follow from the actions of animals; for these certainly appear to perceive space relations quite as surely as do human beings, more surely in concrete cases. Or what shall we say of the space appreciations of masses, atoms, and molecules in gravitational, chemical, thermal, electrical, and other relations? Man's consciousness seems hardly to have a monopoly of space appreciations. True a Kantian may reply that these physical, chemical, gravitational, and other space appreciations, so far as they are known by us, have already been filtered through man's space faculty. Though they indicate something external to the conscious thinker and interpreter, they are still parts of his knowledge system, and hence the spatial perceptions attributed to atoms and to animals are only reflex representations made by man himself. Though this hardly answers the difficulty, since it does not account for that impersonal constancy of relations between those sensuous elements from which astronomy, for example, is elaborated, it yet may be taken as conceding that we must distinguish between conceptions and perceptions of space. In actual life we have the persistency of the sensuous elements constituting our original experiences. Space as a conception is called in to help our systematization of the persistently recurring parts of

our streams of consciousness. Even though conceptual space be a function of the mind, seemingly there must be that in the experienced elements which enables them, as it were, to submit to spatial treatment. If so, why then may they themselves not furnish the material whence the conception may be elaborated?

At all events one can see in the developing child a growth in space perception. One can watch it in young animals. Some animals appear to appreciate distance after a few trials, indeed some seem to need no trials at all. These latter are staple cases with space intuitionists. Space perceptions seem bound up especially with sight, touch, and the muscular sense—touch and the muscular sense being final. It would thus seem that man builds up his space ideas and axioms out of his sense data. Actual trial gives meaning to the proposition that a straight line is the shortest distance between two points. Distance implies movement and movement means the exertion of muscles with the feelings of touch and fatigue. Visual distance is deceptive, that is, it is subject to the illusions of perspective. Visual distance is tested by touch and by muscle-work. Kant will have space pure intuition only, but try to imagine clearly and vividly a great distance and your muscles feel the strain, you are wearied by the very thought. Your body with its motor impulses echoes back and really vitalizes the idea. Kant's pure intuition of space is only a distinction which neglects certain elements vitally connected with the idea. Thus that a straight line is the shortest distance between two points is the crystalization of countless experiences lived through and vaguely compared, so that straight line and shortest distance between points are inseparable elements of one whole. You can not with any adequacy understand point without understanding line, surface, solid, shortest, straight, curve—all are tied together inextricably by racial and individual experience. All together they are attempts to express or to represent sensuous revelations under certain aspects or abstractions.

Almost any American schoolboy will show the difference between conceptual space and sensuous space, space as studied under fixed forms and space relations as realized in actual life.

Watch the American schoolboy on the ball field. He there will often show an exquisite perception of space relations in his numberless adjustments to meet the changes in speed, direction, and distance of the ball, and of the energy needed to play his part aright. Place the same persons before a geometrical problem and some of even the best of the ball players forever remain geometrical blunderers. Thus our geometry is, as it were, a conceptual transcript of our sensations. Just as the ball player's actual experience may far outrun his power to transcribe it in concepts, so doubtlessly the savage who can not count five, yet knows the difference well enough between five and six. In other words our constructions or abstractions from experience are far outrun by experience itself. Evolutionists conceive this experience to be registered in our organism. We are born with spatial perception possibilities organized in our nerves and muscular apparatus, as also our conceptual powers are likewise transmitted. Hence the ease with which this or that animal takes up its space perceptions. The necessities of the existence of its kind have forced it to such a development.

Now when we have developed these space concepts, definitions, axioms, and perceptual processes, we have secured a sort of machine. If we hold fast to the definitions and so on, we then can evolve all sorts of conclusions from the data with necessity and certainty. We are showing consistency merely. The formula for the area of a circle is inevitably contained within the definitions, axioms, and processes of treatment which we admit as allowable. Within these limits the treatment is in effect analytical. The necessity is that of consistency. One can not hold the definitions and yet deny the conclusion.

Lastly a remark upon that other favorite source of necessary truths, logic. For two thousand years, the science of logic was so far immersed in reality that its form as a mental construction did not stand out clear. All sorts of psychological and other addenda were attached to it. About 1850, the Irish mathematician, George Boole, gave a new turn to the problem

of deductive logic. He applied mathematical modes of treatment. Philosophers of the old line, authors of text-books on logic, with anathemas proscribed Boole's mingling of mathematics with the old formulas; yet since Boole's time the result has been a complete solution of the problem of deductive logic. Symbolic logics of various kinds have been wrought out. As a consequence the logic-machine has been in a way reconstructed. Under the limitations, definitions and processes laid down, one can infallibly exhaust the total meaning of any and all combinations of propositions which can enter into the machine. The machine is analytic. It gives certainties and necessities in abundance, and that too whether the propositions deal merely with fancies or with realties, or with a mixture of the two. Somewhat similarly with inductive logic.

GENERAL APRIORISM IMPOSSIBLE

From the preceding short discussion, we would draw the conclusion that Kant's general apriorism fails of its intended purpose. Man's ultimate tests of reality lie in sense data. Synthesis apart from experience is impossible. It is not a fetch by the intrinsic power of the mind. The conception of objective biological evolution means the abandonment of the idea of fixed mental faculties. Axioms, postulates, ultimate principles, are schematic representations of masses of sense items lived through by the race. As used their necessity is analytic. One is not to be led too far astray by so-called "necessities" of thought. One should distinguish between more or less tentative propositions concerning real experiences, and these same propositions taken as fixed and final statements. Statements are merely representative, they belong to the world of knowledge, to a constructed world. The necessity belonging to this world is merely the virtue of consistency. Real experience need not conform therewith. So long as the statements give back results cohering with experience, one needs not draw the distinction between knowledge, that is, systematic representative constructions, and real experience. When the systematic deduction or necessity as an interpretation of experience is

contradicted by actual life, the system must undergo a change. The necessity, the consistency of the system does not pass over into nature. Dissolved theories of all kinds make evident the need to distinguish between the two realms, actual experience and our explanations. Stallo's "Modern Physics" and especially the masterly work of Poincare, "Science and Hypotheses," have shown the transitory and merely schematic character of the profoundest theories of mathematical physics. These theories striving to compass growing experience refine into truisms, or burst asunder and are displaced by others. Ethical and philosophical principles undergo in the progress of time a like transmutation and displacement.

In general, Kant's philosophy, like all philosophy and much scientific speculation, simply attempts to push schematic constructions resolutely to finalities concerning real things. Definitions, concepts, axioms, and processes are laid down, and are then developed to the breaking point. The rival theories of the mechanism of biological evolution exemplify over-hasty and over-rigid schematism in science; opposed to these, Bergson's "Creative Evolution" is a return to a modified time-worn schematic idea, having still fewer constructive explanatory possibilities. Kant dealing with a mass of such "ultimate" human problems shows his greatness in his sweep and mode of treatment. This however should not blind one to the fact that he deals with mental constructs and formulas, which may not after all cohere with fuller knowledge; they represent only the way Kant conceived the matter. His multitudes of "necessities," presuppositions, and postulates may be no more real than are the "necessities" of the emanation theory of light, which should have been duplicated, but which in fact are not duplicated in nature.

KANT'S ETHICAL APRIORISM IMPOSSIBLE

The above applies to Kant's theory of morals. The despised empirical must be received. Without an empirical content, ethical concepts and principles become mere abstractions, identical propositions similar to those to which Poincare

reduces many physical science hypotheses. Kant finds certain facts and feelings bound up with the ideas of right and wrong, in short with the moral law. These facts and feelings concern all sorts of political, civil, military, economic, aesthetic, scientific, racial, religious, physical, and cultural relations. These relations influence the actual moral concepts of a people. Since they are all variable, the concept of duty may likewise change. Now Kant has seized one aspect of this feeling of duty, and without inquiring into its genesis, has treated it as a fixed quantity. Even this fractional schematism is so far acceptable. But when he annexes this to God, freedom, and immortality, one knows from history what to expect; the representation is no longer a schematization of a fragment of life, it is rather conterminous with all reality,—finality is reached at last. The result is a would-be stoppage of all progress in thought and in knowledge.

Summary

To summarize: Kant's schematism of pure reason represents an unreal economics and an unreal society. Angels and their like tenant not merely the earth but the universe at large. On the one side you find the social, political, economic and other tendencies of his time infecting his thought; on the other side you see him seeking to escape into a super-earthly realm where our economics are unknown, there to fashion an ethics which shall scorn the earthly needs, or at least rather grotesquely subordinate them to the celestial fancy.

At the end you find that the celestial machinery is postulated only for securing in other realms a condition which is so faultily realized on earth largely because of economic inequalities and their consequences. The schematization of a fraction of experience, a fraction which disregarded the physical and economic, landed in an unreality, since the ethics born could not come back to actual empirical life. Let the significant real and economic be evaluated, and a sounder ethics must arise. Thus Kant's attempt to compress experience into universe-sweeping formulas shall teach us to beware of trust-

ing without reserve to system builders. The real is bigger than our formulas. Finalities, even in ethics, are merely schematic. We must in real life be content with the relatively general formulas of our growing positive sciences.

OTHER ETHICAL SYSTEMS

If the foregoing ideas be held as good, it is easy enough to dispose of all other systems, so far as they assume to reach principles not subject to the immediate influence of physiological, economic, and other social necessities. So long as one clearly conceives and treats his systematic construct as a problem-like schematization, the danger of confounding his conclusions with the whole of experience is lessened. In such a case the more thoroughly and completely vigorous his schematic deductions, the better all round. He may unveil possibilities of knowledge never yet actually noticed or recorded, but which afterwards are shown to be real, as has been done time and again; or contrawise, combinations impossible according to theory are found to exist in abundance. In either case progress is assured, illusions are destroyed.

The case is the same with all systems of ethics resting upon other ideas of the psychology of the mature individual, as that of Porter of Yale, or those of such Hegelians as Caird and Greene. These latter abandoning the static presuppositions of Kant seek to explain with wonderful words, that the consciousness of man in knowing and in acting upon objects involves as a presupposition man's consciousness and knowledge of the absolute or the divine, nay more, man's partial or even fairly complete absorption of or into the Deity. Their morality is often not far removed from evolutionary ethics, the driver, however, is only Kant's angelic static pure reason become mobile. In spite of their winged words one plainly sees economic and other needs pulling the puppet strings and that these needs are the genuine motors of their spectral parade. They too will have a pure universal-reason formula as final in a way as Kant's, but their finalities like his land only in inexplicability after inexplicability. Apart from religious extravagances of a

like nature, no other monument to human vanity, conceit, and pride can quite equal the modest, the deferential, insistence of the absolute philosophers to kinship or even oneness with the divine. Well could a German philosopher of this guild be reported to have said to students in his lecture room, "To-morrow, gentlemen, I will create God." All the while these abstract philosophers deal with ideas derived from concrete life, but what with so much schematic refining, that they at length confound or interchange formularies and realities; until in the end their consistencies are riven asunder by the progress of experience.

RELIGIOUS FINALITIES

The like holds true of all forms of religious solutions which like Kant's carry us into a world beyond all experience. As problem-constructs all these are relatively unobjectionable. Only when their schematic character is forgotten and they are turned into ultimate real interpreters of all life do they become annoyances, yes, even fetters and clogs to intellectual progress. If the history of the relations of ecclesiastical organizations with economics were traced out in detail, a remarkable parallelism between changing religious concepts and changing economics would be found. The varying conceptions of Christ for example throughout the centuries show how pervasive is the earthly in molding ideas and interpretations of the divine. The "progressive revelation" doctrine of biblical interpreters is a disguised statement of the fundamental dependence of religious schematism upon economic and social change. If the giant abstract Kant, who infinitely more clearly conceived his problem than is possible to the majority of even great religious teachers, could yet not escape the influence of the empirical economic, it is only an easy mental flight to perceive that religious institutional development almost of the necessity of mere consistency should be surcharged with the earthly masquerading under other names. The confounding of the schematic with the real, plus the mingling of passions concentrated around economic, political, legal, and other social powers and

privileges, is the summary of the myriad years of religious ostracisms, persecutions, and wars from every grade of pettiness to the atrocities monstrous, almost surpassing belief, which with filthy luridity blazon the pages of history, show vileness unspeakable in every grade of evolutionary culture, and mark the kinship of savage fetishism with any and all religious creeds, whose organizations secure an undisputed dominance,—Egypt, China, India, Islam, Rome,—the whole furnishing a gloss or comment luminous as it were with tartarean flames concerning the exaltations of which the higher ethical and religious consciousness of man is capable. Disguise it how one may, the pursuit of the economic direct and indirect breaks through every manifestation of human consciousness; for consciousness can not continue apart from food, clothing, shelter, the creation and the distribution of the material means, instruments, and products of economic activity.

CHAPTER VII

ETHICS AND ECONOMIC DETERMINISM

Culture and External Resources; Ethics, a Special Case.—Fundamental Economic Demands of the Individual Are Necessarily Ethical in Bearing; Individual Is a Social Product.—Economic Determinism Explains Ethics.—Pre-civilized Ethics and Economics—Economics in Justice and the Other Virtues.—Source Books for Economic Determinism — How Economics Become Ethics: Motor Origins Passed Over; Intelligence Primary; Inventions and Environment; Changing Ideals Having Emotional Contents; Good; Reason; Dominant Ethical Is Long-Range Economic.—Illustrations: Inventor, Politician, Reformer.—External Causes Become Internal Motives.—Contrasts: Kant, Mystics, "Voice of God."—Economic Determinism in Other Modes of Consciousness: Music, Arts and Sciences, Religion.—Means and Ends.—Ideals: Doctrine not Brutal; Excesses of Idealism; Room for Ideals Left; Proper Ideal to Cultivate.—Definitions of Ethics and of Economic Determinism.

There is nothing new or profound in the observation that food, clothing, and shelter are physiological necessities of man; nor is there anything new or profound in the dictum that "man doth not live by bread alone." But to numbers in our civilization many new and profound thoughts become manifest in seeking to trace the dependence of culture upon food and other supplies. As a general question of mere physical and social causation, this dependence could be discussed with some adequacy in almost any grade of social culture; in this case, however, as in nearly all other fields of thought, the theory of evolution has led to a sweeping enlargement of vision. Any treatment of this question based upon the static grounds of some one particular stage of human culture is sure to show itself narrowed by the acceptance of ideas or principles as "finalities," which are in fact only transitory presuppositions of that particular social organization. The majority of man-

kind accept without question the views, the habits, and the customs current in their time. The origin and the interrelations of these ideas and principles, they do not consider; for them, each principle stands upon its own feet as an independent thing. Hence all sorts of hypotheses or explanations, presupposing the independency of these principles, acquire a vogue and a fixity, which preclude from numerous minds any other or more reasonable views. Not merely so for the individual but for the multitude, these fixed ideas reflect and are reflected in classes, parties, cliques, in all kinds of social divisions and combinations along aesthetic, political, legal, ethical, religious, and other lines. They determine social cleavages, condition every person's struggle for existence, embroil clans, tribes, and nations in wars; they are in fact the active mobile causes which playing upon the surface of the more stable economic foundation determine in part the immensely variegated kaleidoscope of human social phenomena.

The connection of ethics with economics is merely a special form of the general problem of the dependence of culture upon external natural resources. The foundations of ethics have been discussed for ages in every grade of society and from almost every point of view. If the variety of principles appealed to was made known to the unreflective acceptor of the ethics of his own time, he would find the most of the principles to be simply incredible. Nine men out of ten on the streets to-day embody in themselves blind acceptance of their own creeds, and incredulity as to all others. To the biological evolutionist, the variety, the blind faith, and the equally blind incredulity are transparent, perfectly natural, and readily explicable. This is particularly the case with the positivistic evolutionist, who finds the mental or the psychic so thoroughly interfused with vitalized matter as to be for scientific purposes inseparable from it. Cognizant of no mentality independent of matter, he refuses to consider any hypothesis as valid, which like that of the spiritualist endeavors to correlate phenomena in disregard of their objective material bases. His procedure is in no respect a positive denial of the independency of the

psychic; he merely plants his feet firmly upon the known. His ultimate defense is that none of these independent psychic constructs has ever dispensed with material nature for the problems of this world; while its solutions for problems reaching beyond the grave are unverifiable, and therefore do not deal with genuinely scientific questions. At all events his procedure represents a perfectly permissible treatment of a complex problem, namely, to exhaust as far as possible the explanatory co-ordinating power of known concrete factors.

Geology and Astronomy pursue the history of our earth back to a condition wherein life as we know it could not exist. Somehow vitalized matter made its appearance. Plainly here by the principle of continuity the objective dominates vital phenomena. The moment life appeared, biological evolution began; development results from the interaction of environment and living protoplasm. But no man can securely separate from each other the manifestations of life and of mind. Life, so far as man knows it, is impossible without oxygen, hydrogen, in short, without the entire chemical process whereby the body incessantly dissolves and renews its elements by the acts of feeding and of excreting. Again by the principle of continuity the objective preconditions and dominates the subjective. Hence for the positivistic evolutionist, ethics as an output of spirit, becomes a biological efflorescence. It can root and find solid sustenance only in physical and physiological necessities.

Food, clothing, and shelter then are primary needs of mankind. In favorable climates shelter and clothing may be an almost negligible matter. In these respects man might there differ but little from the brutes around him. This is the case at present with thousands of savages and barbarians in the tropical zone. However many centuries the race continued in this state, or however many tribes are yet not far removed from such a condition, man must have food, and in frigid and temperate zones clothing and shelter also. Now the procurement of food, clothing, and shelter constitutes even to-day nine-tenths more or less of the economic demand of nine-

tenths more or less of the human race. From this it follows inevitably that to-day the conduct of the huge majority of mankind is determined by economic considerations. If nine-tenths of the efforts of nine-tenths of humanity are for primary necessities, these efforts must fall largely within the class of conduct called ethical. Otherwise ethics are no longer ethics, that is, practices, beliefs, judgments resting upon such and such principles are not akin to practices, beliefs, judgments of other men resting upon like principles though differently conceived and limited. Doubtlessly conceptions of ethics which deny morality to savage and barbarous tribes are expressed. But this can only mean a disregard of the principle of continuity in reason and in science; it means satisfaction and isolation within a rather narrow abstraction, the substitution of a formula in the place of concrete life, the part is taken for the whole.

Each human being must as living physical tissue satisfy the natural demand for food, clothing, and shelter. But this individual is much more than a piece of individualistic protoplasm. Quite as deep-seated in his social origin. It is a mere fact that each man is the surviving result and product of a million-fold care and effort of others. Utterly imperious is the demand for social, and if you will, for sexual relations. It is perfectly true that many phenomena make this social side of each seem less intrinsic than the purely personal aspects. Yet if one consider the matter closely, one must concede the difference to be less than at first sight appears probable. The innumerable social cares of others, without which the race would perish in a generation, the insistent demands of the suckling babe for nourishment and care, its continuous growth and training throughout childhood, and the outburst of sexuality as puberty comes on, all indicate that however conscious man may be, in him the instincts of life surge to expression as surely as in the lower animal world. It can not be otherwise if the race is to go on. Each man is a racial, a social product. His sociality is not less completely stamped into and upon him than are his spatial and temporal separateness.

Our demands for food, clothing, and shelter are not less social than individualistic. Not for self alone but also for wife and child do we pursue physical necessities. Often indeed in higher cultural stages the demands of our social selves for these requisites far exceed our private demands. Our private selves seek food in order to continue our personal existence. When the personal desire fails, we readily enough relinquish the quest and pass out of life. Much oftener, it seems, our social selves make the quest for food and dominate the personal view, because of the overpowering influence of the social side, which seemingly will not endure the thought of wife, babe, relative, or even tribe, exposed to the stress of the struggle for existence unaided by our endeavors. Thus then the pursuit of these fundamental human goods, these physiological necessities, which constitute nine-tenths of the economic demand of nine-tenths of mankind, expresses human nature and becomes a motive which outweighs in massiveness and persistency all other real concrete motives. It is unavoidable that about this demand and this pursuit as an abiding core, all other motives should assemble and concentrate. Ethics, whatever this word may mean, can not represent a merely decorative fringe of these ultimate needs, a something apart from and above them all. On the contrary it must spring from and interfuse with this innermost tissue of life relations. The pursuit of food, clothing, and shelter is so overmastering, so all-engrossing that the relations under which the pursuit is made must constitute a bulk of usage and custom essentially ethical in character. One can not regard any other relations as more intrinsic or more important. Hence if ethics has to do with any matter of real social importance, it must concern itself with the fundamental economic and material demands. As a matter of fact these demands do constitute the bulk of the real external content of all ethical systems however crude or refined the system may be.

Though food, clothing, and shelter are the fundamental economic demands, it is not to be inferred that this representation exhausts the meaning of economic, and more particularly

the meaning of the broad doctrine of economic determinism. Marshall, the standard English economist, tells us that "economics is concerned mainly with such incentives to action and resistance to action as can be measured, at least roughly, in money terms." Economics is often referred to as "the science of wealth" or "the science of business." Wealth is defined more or less accurately and frequently as material goods, and with some writers, as personal services also which satisfy human wants and human desires. If these ideas be combined more or less fully under the name economics, there is scarcely any human activity conceivable which is not directly or indirectly tied tightly to economic considerations. Further a commonplace of economics teaches that the science searches for and tries to formulate tendencies, mass-phenomena, long-range results. The individual case is usually so complex and intricate that rules or deductions concerning the individual can not be evaluated. Entirely of the same piece is the direct economic when compared with economic determinism. Economic determinism considers not only the direct economic motive as a short-run money motive; it considers also long-range effects and consequences; it considers the influence of climate, machinery, tools or implements as determining the economic struggle; it considers the psychology of the contestants both as a cause of economic consequences and as a result which issues in further economic effects. For example politics and law both national and international are nowadays quite frequently acknowledged to be determined very largely by economic forces. But it is equally clear that positive law and political action determine social and individual psychology in many directions. These in turn are fraught with many social and individual economic effects. Herein is had a continuous exhibition of reciprocal causation. But the fundamental driver in the mass determination of these results is physical and physiological necessity manifesting themselves in the field of present-day consciousness more or less under the guise of the economic motive. This is the essence of economic determinism. The object of the present chapter is to show that

ethics as a mass phenomenon is explained by economic determinism. Ethics is largely transfigured economics.

PRECIVILIZED ETHICS AND ECONOMICS

Conceive man emerging as an anthropoid from the brute stage. At that time he might perhaps have formed more or less large hordes such as do monkeys, or he may have been in smaller groups such as the gorilla and the orang outang now form. At all events clearly it is inconceivable that his individual and social pursuit of life necessities, that is, his ethics and his economics should have been like those of to-day either externally or internally. This human brute however must have progressed. One finds in every continent the world over that many tribes went through a period called the matriarchy. Here woman dominated in a way. Since the society was essentially a blood tie, and since mothership is always certain while fathership is always possibly questionable, social divisions and arrangements rested in large part upon physiology. Still these peoples never escaped from the pressure of physical needs. Accordingly their modes of satisfying these needs, in short their economics and their ethics, must have differed largely from ours. The like is true of a people essentially pastoral, essentially agricultural, essentially military, essentially handicraft-industrial, essentially large-machine industrial. Hence the ways and the means of securing food, clothing, and shelter, as also the possible religious, aesthetic, and cultural developments can not be other than quite variable.

Human vanity (so it seems) has in all ages caused numbers to claim for man a divine parentage and quality. Clearly however in this life physiological needs precondition any manifestations of the spiritual. It follows that where the struggle to secure the mere necessities of life is all-absorbing, habits, customs, morality, religion, culture, so far as these have then any existence at all, can not possibly express anything else than aspects of this contest. And when by contrast the refinements of the profoundest culture turn out to be only etherealizations of this same primary battle, as was seen in Chap. VI in the

case of the great Kant, one is prepared to accept some form of economic determinism throughout all ethics. Hence it is no surprise to the evolutionist, who conceives man as climbing up from the brute, to find that in savage communities, religion commingles ignorance, fear, superstition, magic, the crudest and crassest beginnings of science and metaphysics, in a veritable hodgepodge, of which each and all parts are concerned with the maintenance of physical existence through proper supplies. Arrange savage tribes in an ascending order of cultural development, or in such an order as they may be conceived to have gone through in the actual progress of the race, and you always find that the growing refinement of religious ideas runs parallel with the course of economic development, the securing of a more dependable supply of material goods. As inventions or changes in the social organization of the economic pursuit occur, more and more of the tribe are removed from the immediate relentless pressure of physical needs. Hence religious ideas become more abstract and their causal relations with phenomena more remote and indirect. But in no case do they ever abandon their economic base. One sees this base everlastingly throughout all savage cultures, throughout all the great religions of the earth—Hindu, Chinese, Persian, Greek, Roman, Jewish, Mohammedan, Christian—down to our own day, when a Pope Leo can delicately touch the economic chord in writing: "Christian morality, when it is adequately and completely practised, conduces of itself to *temporal prosperity*, for it *merits* the blessing of that God Who is the source of all blessings;" [italics ours]. From the most primitive origins, when ignorance and the pressure of economic needs were the inner obstructions and the drivers of human life, race maintenance was hemmed in on all sides by magic, by superstition, by falsely conceived causal relations; in a word, religion, that is, those elements which finally coalesced into the religious concept, has from the very first through the wily ignorance of wizard, medicine man and priest pervaded and mightily influenced every form and aspect of the struggle for existence.

The like is of course true of ethical and scientific concepts. Religion, ethics, and science have always mingled more or less inextricably—they do so to-day—but easily in the primitive forms of the struggle for life the fundamental instincts break clearly into manifestation; ethical concepts are then nearer to their economic determinants. Thus a nomad people in a sparsely-producing region easily abandon their sick, their infants, their aged; these are incumbrances to the pursuit of food. The Esquimaux in their niggardly ice-bound habitat know very well how to keep down population by artificial means less delicate than those recommended by Malthus. Where instead of a roving life some form of agriculture is practiced, or a more settled pastoral existence is maintained, the value of the aged, of children, of women undergoes a change, or slavery becomes a possible institution. Where a race lives largely by plundering from their neighbors, female children may be little esteemed, female infanticide is common and is uncondemned. Under other productive conditions and with maternal rule, woman rates higher in value than man. Peoples in certain climatic conditions, and where women are relatively few in numbers, may find polyandry an acceptable practice; where nature is fecund and life is easily supported, the utmost sexual freedom may prevail. Amid relations where tribal solidarity is absolutely necessary for tribal existence, intra-tribal truth, mutual aid, and reciprocal service are preconditions of survival, while untruth, all sorts of deceit, guile, cruelty, and treachery towards outsiders are not merely permitted, but are also regarded as highly admirable. Tribal hostility—every stranger is an enemy—through every grade of social development survives to-day in the contempt which the native of any country usually entertains towards the foreigner. Patriotism is for the multitude this same feeling with a few better fringes put forward for outer inspection.

The variations of the combinations of all these elements are infinite in number, because life even to the savage is an infinitely complex affair. The external forces and conditions determining existence are innumerable; the possible modes of inter-

preting and combining them are uncountable. Hence the astounding variety of forms and shadings in savage, in semi-civilized, and in civilized life. But through them all as the ground-tone of the entire chorus of life in all stages of culture, rings the cry for food, for clothing, and for shelter; and next for all other tones of pleasant consciousness that can be superposed on the fundamental notes. From the savage who invokes the magic of the spoken word to curse or to bless, from the mystery of the unfamiliar which therefore must be propitiated, from him who beats or even discards his fetish which has not brought him good, onward to a wily Jacob who sharply drives a bargain with his Deity, up to the subtle confusions of natural and divine law as exhibited by Pope Leo, the case is ever the same: Transcendentalism, as commonly manifested throughout the centuries, with a sort of vulgarity contemptuously scorns but yet can not possibly subsist apart from the empiricism, by means of which and upon which it as a rule parasitically feeds.

It is impossible to give adequately in a short chapter even a sketch of the historical details belonging to the above. The data for the conclusion are to be found in great abundance in such works as Herbert Spencer's "Ethics" and "Sociology," and especially in Westermarck's monumental volumes on "The Origin and Development of the Moral Ideas." No discussion whatsoever on ethics and economic determinism is worth a moment's consideration, unless the facts presented in such surveys have been critically estimated. The present chapter aims only at the general outlines of the subject. However, just to suggest more fully the extreme closeness of the relations of ethics and economics, it will consider with a little detail the economic aspects of the great virtue, Justice, so often and so eloquently said to be the foundation of the universe. This done, one is better able to feel and to perceive in other virtues economic relations not so much in daily evidence as in Justice. In order not to overlook important shadings of Justice, the main outline of Sidgwick's discussion of "Justice" in his "Methods of Ethics" will be followed, and along the route

hints or suggestions as to economic connections will be appended.

ECONOMICS AND JUSTICE

What then is Justice? An exact answer to this question is not easy. All moral ideas are difficult to define because (a) the content of concrete morality is constantly changing; hence (b) the limits of any and all virtues are fringed, indistinct, or over-lapping. Thus for example with the Greeks Justice included not only the particular virtue called Justice, but also in some sense virtue in general. Confining ourselves with Sidgwick to the special virtue Justice, 'one meaning of Justice is conformity with law. We speak indifferently of law courts or courts of justice; just rights are those enforceable by law. Still, not all violations of the law are called unjust, for example, dueling and gambling; and again at times from our notion of justice we pronounce some laws just and some unjust; and thirdly, a part of just conduct is thought to lie outside of the sphere of law, such as a father's relations to his children.' So far Sidgwick.

Now for some economic aspects. Take a code of laws, Blackstone's for example, turn through the chapters of his four volumes, what do you find? economics, economics, economics. Either the naked economic applied to the individual as in property relations; to the class, that is the king, the clergy, the nobility; or to the public welfare, as in national defense; or it deals with instrumentalities as courts, their forms, powers, processes, securing, changing, or controlling possession. If you consider the part devoted to the naked economic over against the rights of security and of freedom, you will find the latter a very small fraction of the former, and even these seeming non-economic relations are constantly estimated in economic terms. Further, however, the mass of this non-economic legislation is indirect economics. Thus murder, assault, false imprisonment, slander of magistrate or of individual and so on, these are either a subversion of the fundamental of all economic pursuit, namely, life itself,

or they are impediments rendering that pursuit harder, or they are part of class legislation wherewith the few are further favored, or they deal with the maintenance and economic welfare of the nation as a whole. The like is true of the Code of Khammurabi, 4000 years older than Blackstone's. When you ponder these facts for a time, you will understand with sun clearness that the ethics of Justice, "as conformity with positive law" is horns, hide, hoof, and all between, nothing but economics. If dueling and gambling be not unjust according to some, they do not cease to have economic causes and consequences; gambling has but a faded charm if no economic gains or losses are connected with it, while the class and social status and hence the economic condition of the duelist can readily be imagined. That we pronounce some laws just or unjust means only that we often deliver judgment because of a changed economic view. Or again that some sort of justice exists beyond positive law as that between children and parent, this may mean that ideals resting upon and looking to different economic bases and results are before our minds. That children are entitled to the joys of childhood means at least the dispossession of the old idea that they were merely property such as bow, beast, slave, or wife. Nor did this purely benevolent sympathetic appreciation of childhood spring from merely abstract immaterial considerations. Before it could grow up, a certain economic sufficiency had to be reached, out of which and because of which a psychology could develop so far as to see that greater economic and other efficiencies are obtained by giving a fuller growth to the child. In fact when you fully weigh the connection between positive law and economics it becomes a truism to you that legal justice is completely pervaded by economics, so that it were almost mere surplusage to continue the discussion along this line.

In view of the difference brought out between justice and conformity with law, Sidgwick next seeks to find 'what laws conform with or realize justice. Is it that those laws are just which define the rights of individuals? But this test does not cover the case; for (a) we have laws dealing with taxation,

public burdens, privileges, and punishments; these we hardly call "rights" of individuals; or (b) shall we say that just laws distribute to individuals, objects of desire, liberties, privileges, hindrances, restraints, or even pains as such? or (c) since failure to make a just distribution occurs so frequently, shall we say perhaps that Justice ought to be realized in the distribution'?

Now however one may finally conclude concerning the foregoing ideas, it is still clear that in mass the matter here is turning upon economics and mostly those of the naked direct sort. Whatever rights of persons in general may be, the rights to a just share of taxation, public burdens, privileges, objects of desire, liberties, and so on, are clearly economic in cause or consequences. Even the distinction between corrective and distributive justice, between punishments and assignments of positive good, does not get away from objects of desire, and from methods and processes of social organization of the pursuit of these objects.

Sidgwick is led to distinguish between 'ethics as pertaining to individuals and politics as pertaining to social regulations. Now ethics is thought commonly to declare that private persons should obey all laws whether just or unjust, if established by lawful authority. This idea recurs every day in our own judicial and other governmental systems. Still we hardly accept this proposition without limits in practice. Because we are often enough in the position that we seem ready to accept the punishment, provided we may thereby break the law. Or the theologians tell us that a higher right overrides the lower, and therefore there may be laws which we are bound to disobey.'

Again however one dispose of these problems, one can readily see economic reasons behind the rule that all private persons should obey the laws just or unjust. It is a case of class rule. It is always to the interest of rulers that they receive willing obedience. They therefore inculcate the psychology of submission. They can thus much more easily and economically maintain their position. All history is a con-

tinuous proof that the governing classes will see to their own material interests. They will glorify religion, culture, and all the amenities, but they will likewise see that their class secure a distribution of products so that their members shall obtain the material economic means to enjoy that highly prized culture. In truth politics and "applied ethics" must of necessity deal mostly with external circumstances which register themselves in material, tangible, visible results. They therefore can hardly fail to be dominated by the pursuit of food, clothing and shelter.

Still searching for the marks of legal justice Sidgwick next hits upon 'equality as the exhaustive test. Thus taxation would be perfectly just if it imposed exactly equal sacrifices upon all. This at first sight seems excellent, however hard to determine the limits of equal sacrifice. Still if this were the true test, what then becomes of special privileges and burdens? We hardly think it unjust to exempt women and not men from army service. We do not always think special privileges are unjust. Hence the equality idea attunes itself to the thought that it applies to any of the class specified in the law. This narrows greatly the equality test. It admits in theory all sorts of class dominations,—a fact of world-wide experience throughout centuries,—equality within the class or caste, superposition of class and caste upon class and caste. But even within the class, equality must turn upon significant distinctions. An inequality that appears arbitrary and for which no sufficient reason can be given is seen to be unjust, whether in laying down the law or carrying it out'!

Once again in all the above, however decision may fall, we are still following economic determinants. Equal sacrifices—how wide is the swathe cut by "sacrifice" in past and present economic treatises! Then too, special class and other privileges, exemptions from services of certain kinds, restriction of offices and powers to certain favored persons supported usually by visible wealth, are in determining mass only economic. And what constitutes the distinction between essential and arbitrary differences? What constitutes "a sufficient reason"

for legal inequality? The answer to this will in the main turn out to be matters essentially economic.

Sidgwick then goes on to consider 'that part of just conduct which lies outside the range of law. He observes however that even here the notion of Justice always involves distribution of something considered advantageous or disadvantageous, whether money, or other material means of happiness, or praise, or affection, or other immaterial good. This aspect of Justice outside of law leads to the seeming overlapping of the virtues; thus affection, love, and kind services appear to belong to Benevolence. Yet in other ways these things seem to belong to Justice, for example, it is just that equal love and affection be given to all of our children. This leads to Justice as impartial treatment, and to the satisfaction of reasonable claims. But of course the next thing is what are reasonable claims. Well, of these the most obvious seem to result from contract. Contracts are to an extent enforceable by law, but it is thought to be just to keep engagements generally even though no legal penalty attaches to violation. Under binding engagements are verbal promises, implied contracts, or tacit understandings. Tacit understandings are difficult to keep precise; they vary from a positively implied pledge to mere knowledge of expectancy. But it becomes doubtful whether one must dispel all erroneous expectations on the part of others on peril of being required to fulfil them. Still if the expectation be natural and such as most persons would form under circumstances, there seems some sort of duty to fulfil it.'

'Or more generally we ought to fulfil such expectations (of services, etc.) as arise naturally and normally out of the relations voluntary or involuntary in which we stand towards other human beings. Many of these duties appear peculiarly stringent and sacred as for instance those belonging to domestic relations.' But Sidgwick had previously found that of these even the most certain and indisputable were difficult to define, while there were others imposed only by varying and apparently arbitrary customs. So long as these customs persist, expectations springing from them seem natural and normal and

hence there is a kind of justice in fulfilling them. But the obligation can not be complete, 'because (a) customs are always varying, and (b) some customs become unreasonable, which therefore are "more honored in the breach than in the observance."'

'Thus there arises confusion in the term Justice. Ordinarily we think of it as definite, exact, precise, but when we get to customary claims, we come upon haze and dimness. Man however is a creature of custom and habit and he will expect others to continue in much the same direction as they have previously gone. Therefore when any sudden change takes place in their actions, he feels himself wronged; sometimes he even gets legal redress for claims originating in this manner, as a right of way over land without express permission of the owner. But decisions vary largely. If a poor man quit a tradesman because of a change in religion, we hardly think he does injustice. If a rich man in a small country town does the like, we are apt to think it unjust persecution. Similar results are found even within the range of law. If a constitutional government change its policy without notice, or if it vary much in its policies, people are apt to feel themselves unjustly treated because they are affected in their economics, their investments, trade, professions, and at times they even demand and secure compensation. Still outside of law the test of natural or normal expectations, that is, custom and precedent, has some validity. But we can not carry this too far, otherwise no old law and no old custom could ever become, or be, unjust,—a position contrary to all history.'

'Perhaps we may hold that the customs may grow out of other elements of the social order, independent of and possibly conflicting with laws, and hence rules going counter to these natural expectations are unjust. On this ground many hold primogeniture unjust, the inequality of inheritance seems paradoxical and harsh.' Sidgwick concludes the above discussion in effect thus—'natural expectations as a notion is worse than indefinite, it contains an ambiguity concealing a fundamental conflict of ideals—it thinly covers the chasm between the ideal

and the actual; it means (a) the universal and normal as opposed to the exceptional, (b) the primitive as opposed to latter-day conventions, (c) the actual as opposed to the ideal, (d) or by some taking nature as God in intention, it is man's purposes over against the divine will.'

As to this long summary of Sidgwick's discussion of Justice outside of law, one needs remark but two or three things. (a) Almost all illustrations used by Sidgwick to give concreteness to his representations are taken from economics, or from economic relations: for example, contracts, services, rights of way, shoptrading, investments, effects upon trade, profession, residence, compensation, primogeniture, and so on. A moment's consideration shows that this can not be otherwise. Relations concerning material things are comparatively definite, objective, measureable. Rights concerning such things may become relatively tangible or palpable. Relations concerning feelings can not be thus so readily objectivized. Only when such emotional relations are capable of an objective estimation of a permanent character do they get recognition. Feelings vary, change, adapt themselves. Psychology is a self-adjusting mechanism, as it were. Relations between real things remain approximately stable.

(b) The justice of natural expectations outside of positive law means at bottom the question of the origin of customs. Nowadays law tends to statute law; formerly all was custom. The causes of the customs of olden times can be nothing unlike those acting to-day. The same general conditions exist: material nature and its products, pliable human psychology, persistent biological necessities, and their unescapable pursuit. To-day laws are changed because of economic pressure direct or indirect. Examine the Magna Charta, the Declaration of Independence, Blackstone, or a revised code of to-day. Or consider the urgent political questions: conservation, reciprocity, tariff, banking reform, initiative, referendum, recall, all are with overwhelming preponderance economic in origin and destination, a better production and distribution of material goods. The problem is in one aspect exactly the same as when

the handicrafts established customs, or, as did feudalism, or aristocracies. Customs change to-day, not simply and solely from pure-reason developments, rather almost solely because interested reason discovers better ways of mastering nature, material and mental, for the advantage of this and that person or group of persons. This is at least the main fact in the past. It is possible that the future may reach a wider range of economic considerations, which yet will not then cease to be economic even when they may have ceased to be quite so selfish as to-day.

(c) The distinction between justice as actually practiced and ideal justice,—this too does not carry us beyond economic relations, and into the realm of pure reason and unearthly aspirations. Ideals themselves are constantly changing; they are indeed nothing really different in origin from customs, precedents, natural expectations. They are previsioned better relations within the present physical life connections. Such an ideal every old custom once was, a vision faint and dim in some old thinker's head, worked out into reality by means of imitation conscious or unconscious, by changed implements, or changed social organizations. The like occurs to-day. The like is to be expected, so long as man remains a biological phenomenon, so long as survival rests upon the continuous adjustment of outer and inner relations, so long in short as man must seek economic goods, food, clothing and shelter.

'This view of the ideal however is too contracted by far for some thinkers, therefore we find all sorts of system builders evolving by abstraction various mental constructions, ideal societies which are to realize all justice and all virtues. Plato gave such a construction, Sir Thomas More another, and before and after him, dozens of others, socialistic and otherwise, have been framed. These types of perfect societies may be of all sorts. A caste society may think of perfecting a caste system, or there may be conceived the perfect warlike state, the perfect industrial state, or one devoted to the pursuit of art and science, or to a just distribution of rights, privileges, burdens, and pains to "human beings as such." All these may

and must deviate more or less from actual arrangements. Some thinkers however are content to obtain for all men the natural rights, the right of personal security, the right to hold property and to dispose of it freely by contract, the right to marriage and family relations, the right to labor, the right to education, and political rights. While many thinkers would be content to obtain these for every one, religious thinkers shift ground and invoke also the ideas of Divine Justice and the doctrine of immortality as compensation for present inequalities.'

Now none of these imagined social structures escapes economics, the fact rather is that the primal ground-motive of each of them is economic. A caste state perfected is only a perfected mode of organizing the production and distribution of goods so that the upper classes may get all possible benefits. An industrial or warlike society, an arts and science society must traverse the whole field of economics,—for on earth man can not get forward without attending to real physiological needs. Until man shall have shuffled off his original protoplasm it is simply an academic problem to construct states apart from earthly needs. The ideals are mere utopias.

The natural rights so-called are simply economic relations. The right to personal security,—without this generally maintained for all, we are back to the war of all against each, each against all, the original emergence of man from the brute. This fundamental of all social life is at the same time the corner stone of economics; the two are here one. The rights of property and of free contract are nothing if not economic in origin and result. The right of marriage and that of family society,—history shows these rights to vary with the economic organization of society, they change greatly in form and significance according as social production is dominantly hunting and fishing, pastoral, agricultural, military, commercial, or industrial. Apart from these things it is mere physiology. The so-called right to labor is but an aspect of an economic condition. Some shut off others from access to the means of existence;—very well—the right to labor means that the

possessors are at least bound to furnish non-possessors a chance to work for a living, otherwise the right of possession is apt to perish in a "brutal revolt against the possessors." The right to education means greater efficiency; witness trade schools, manual training schools, vocational studies and so on. Political rights,—an economic cause and consequence. Only by political rights can the economic independence of large masses be secured,—at least it is so thought. But this doctrine is not based solely on generalized sympathy for a human being as such. It is a half-cant, a half-truth belonging to the members of the ruling class or ruling race. Witness the attitude towards dependant conquests. Witness dependencies the world over. "White man's burden" is a stock phrase,—"white man's burden" and "the yellow peril" are kindred conceptions.

"Many have sought to combine those rights as corollaries under one principle, namely, freedom. Freedom from interference is held by many influential thinkers to be all that human beings owe to one another apart from contracts. The protection of freedom is the sole proper aim of law. The equality that Justice aims at is the equality of freedom."

Now however well or ill this formula may cover the various possibilities, manifestly when one descends from abstractions to concrete cases, actual circumstances govern the interpretation of the word. Thus it is necessary to restrict the freedom of children, idiots, the insane, and criminals. It is often contended that this freedom must be restricted for the majority of mankind because of their intellectual weakness, and that it does not apply to adults in a low stage of civilization. But why restrict the freedom of children but for direct and indirect economic reasons. And the exclusion of adults in lower civilizations, what is this but class legislation, class rule, "White men's burdens"? Of course the savages of Africa, the barbarians of the seas are restricted for their own good; there is nothing economic in the relation! Spain gutted the West Indies for the glory of God, for the Roman Catholic faith, and it sweated to a speedy death thousands and thousands of Indians for gold,

Christian glory, and God! It is this high conscientiousness which urges Germany, France, Great Britain and the rest to divide Africa, Asia, and the entire globe! They do not seek gold or economic advantages; it is all for lofty abstractions and freedom springing from pure reason!

'Again does freedom mean absence of physical constraint merely, or of other modes of interference, say, with well-being and comfort?' But one easily sees the economic groundwork of all this. The development of this demand for freedom from annoyance is an outcome in part at least from economic change. Man pursues wealth for the extension of his powers and enjoyments; greater wealth means the extension of the uses of wealth. New desires thrive because they have what may feed them. Thus freedom from annoyance roots in economic soil and in thousand-fold cases works back to direct economics in increased efficiency and higher productive power. 'This right of freedom must include the right to limit that freedom by contract. Otherwise society could not go on. One therefore might use his freedom to contract himself into slavery; accordingly a suicidal principle.' However agreeable such acts as voluntary slavery were to ancient legislators from Moses downward, moderns, at least some of them, have forbidden this slavery by contract. Whatever other reasons for this may hold, one ground at least is efficiency of production is lessened by slavery. On the average the free man produces much more and better products with much less waste of time, tools, and raw materials. The crude plundering of the slaveholder yields to the subtler maneuvers of superior brains. Slavery open and brutal is played out in our civilization. It has been dispossessed by other economics.

'This freedom to contract away freedom renews the old dispute about social compacts which we may dismiss here. But if freedom was ambiguous in reference to personal relations, the difficulty is increased when we come to freedom to appropriate the materials means of life.' This of course is nothing but economics. 'The right of property, personal and national, in movables and immovables,— the red Indians thought they

owned the soil over which they hunted; quite falsely, according to some, who affirm that "hunting tribes have no moral right to property in the soil over which they hunt."' Morality therefore varies according as you possess or not. The same dispute at bottom between Britain and Boer caused the Boer war. With the property right goes the right of inheritance. But when you consider the manifold systems of inheritance, it is clear that when you speak of freedom in these matters as if it were something sprung from the high heaven of pure abstract reason you are simply living in dreamland. There is no consistency in the word as concerns human beings as such. A survey of history and actual relations shows that the word varies in range of meaning in accordance with circumstances.

'If indeed freedom from restraint is to be as large as possible, then clearly this freedom would be more fully realized if appropriation were not permitted at all. If answer be made that freedom means facility and security of gratification of desires, and that this is not possible without appropriation, then this freedom is not and can not be equally distributed. A man born without inheritance into such a society is much less free than if there were no appropriation. True he is free to walk along the road, to sniff the fragrant air, to drink the water in the street or sometimes from the river,—that is, if he can somehow get to adult stage—but what is it all worth?'

'The brilliant economist Bastiat answers this by saying that the man is still in a better position, because by exchanging his labor for money he can secure more than he would have done, had he faced the world as another primitive Adam. This answer however shifts ground; it concedes the loss of freedom, but offers a compensation; which of course in hard times, panics, and so on, is lessened more and more. Thus it is clear that this freedom-basis of Justice commits suicide, and leads to the position that the mass of mankind have neither freedom nor justice.' And all this upon strictly economic grounds.

Sidgwick next passes to Justice expressed in the proposition, "Men ought to be rewarded in proportion to their deserts." After all the foregoing it will be sufficient for the present pur-

pose merely to note that Sidgwick illustrates the position solely by economic examples, namely: profits divided no previous arrangement having been made; property as the exclusive right to the product of one's own labor; compensation for labor on property previously appropriated by another; appropriation by stretching the right of discovery, with denial of any rights of native inhabitants.

Further in this matter of merit or desert, Sidgwick finds 'Fitness to enter both as regards the distribution of instruments and functions and (to some extent at least) of other sources of happiness. Thus the tools to him that can use them, the functions to those who can perform them best, the means of enjoyment to those that can enjoy. Here however desert and fitness may come into conflict, utilitarian consideration must hold the balance.'

Now in all this one is plainly concerned with the economic category of efficiency in concrete relations. Any merely abstract formula must inevitably lead to evident antimonies. Sidgwick concludes this paragraph with,—"Perhaps virtue is its own reward—at any rate man must only try to reward services in proportion to their utility." This again leads him to discuss the comparative value of different services. He takes us through nothing but economic categories,—value in all its forms, a fair and proper price, present customary values, handicraft values, market values, limited supply values, psychic values, and so on. This again leads to the discussion of individualistic and socialistic ideals, concepts which to-day rest upon nothing if not upon economics.

Finally he comes to Criminal or Punitive Justice. There is no need to dwell upon this after all the foregoing. Its connection with economics is manifest. Sheep-, cattle-, or horse-stealing is a mortal crime in pastoral communities. Forgery or counterfeiting is relentlessly pursued in a banking country. The savagery of ancient law has been softened because a better and cheaper result was got by mildness and by changing the conditions. The criminal aspect of Justice is Punishment. An eye for an eye, a tooth for a tooth, the lex talionis which

ruled in Khammurabi's code, 2250 years B. C. and in the Mosaic Code, 1500—800 B. C. The criminal code has varied with economic and social changes. At first perhaps it was purely personal self-defense of members of the presavage horde; then under gentile or kinship systems before the individual was wholly freed from the social bonds of family or class, a loss or injury to one plainly affected the whole group, and that loss was equalized by a like loss from the offending class. The public lex talionis passed over into a personal lex talionis. In Khammurabi's code if a bad contractor by the fall of one of his buildings killed son or daughter of another man, the contractor's son or daughter forfeited life in exchange. The like permeates the Mosaic code. And similar ideas are found in China to-day; at least one can easily purchase a mortal substitute. As time went on, money and other compensations were found. To-day Criminal Justice is no longer punitive, it is in theory only deterrent or reforming. Punitive Justice is abandoned to theologians and to the Deity. Production purposes as well as economy of social pursuit of criminals are utilitarian grounds for abandoning the idea of Punitive Justice. So far as Reparative or Compensatory Justice is concerned, the interpretation is solely through economic categories.

ECONOMICS AND THE OTHER VIRTUES

After this rather long discussion of Justice, only illusions to the economics in the other virtues need be given.

Benevolence.—The maxim of benevolence may be put—love your neighbor; or, do your fellow-man all the good you can. As an abstract general proposition you have heard this so often that it seems an immediate truth. Like many other such so-called truths it is straightway forgotten both in theory and in practice. As soon as you ask what is meant by loving your neighbor, or by doing good, you get away from the sweetly sounding abstract generality into the thick of concrete economic relations. The attitude of love in dealing with crimes and criminals or in religious contests, you find hard to preserve.

"Who is my neighbor"? means the whole evolution from tribal and national animosities arising in part from opposed economic interests, the preservation of the tribe or nation in pursuit of economic welfare, through extended and developed trade and commercial relations, to the thought that any man is my fellow. The developed economics of world-trade changes the range of benevolence from the small tribe, to which every stranger was a foe, to the possibility that every stranger may be an aid to the furtherance of welfare. And if you ask what good is, and what limitations are to be placed upon real practice, you find that the matter turns almost wholly upon direct or indirect economics; that is to say, it is interpretable into terms having a distinct economic bearing.

This is not saying that love, benevolence, sympathy are immediately and directly the pursuit of wealth. A lover does not equate a kiss to five hundred dollars or even five dollars, though a legal decision may put a money value upon it. Nor does it say that the impulse to aid the injured or to ward off danger from a child is at the same moment the vision of so many dollars. Quite the contrary; one may be wholly blind to any and all such immediate consequences for or against. Yet when one reflects upon such matters as a whole, and considering their before and after, puts forth general recommendations concerning them, one is apt to seek, and moralists in fact do seek, justification in terms more or less economic. The practice of benevolence is held to be reasonable only when one gives due attention to limiting circumstances. According to the economic organization of society whether pastoral, military, or industrial, and in accordance with the economic condition of the person, so is concrete benevolence to be practiced.

The "good will" however, need not change. Yet that "good will" is itself a product of biological evolution. Tribes and peoples not practicing this mutual aid adequately have not survived. Benevolence, doing good to one's fellows, is a condition of tribal and racial survival. This for the most part means longer-headed pursuit of welfare—call it happiness,

call it self-realization, call it duty—it means at the same time the use and the development of better and better means of the production and distribution of material goods. Exalt culture, the mind, the spiritual as high as you will, on this earth man simply can not get forward from culture stage to culture stage except by steady increase in production, quantity and quality; that is, improvement in tools, implements, and organization in pursuit of material goods. The conditions of the acquisition of these goods mold directly or indirectly every manifestation of human excellence. Like considerations apply to truth and good faith. For example the entire system of financial credit rests upon and drives to the development of these virtues. The same of temperance and its increasing importance in productive spheres, or courage, and of chastity; changes in the content and the significance of these virtues run parallel more or less with economic changes.

SOURCE-BOOKS FOR ECONOMIC DETERMINISM

In a way somewhat similar to the above, the thorough student will go through collections of sociological facts and ethical treatises. In Spencer's "Ethics" are recorded thousands of facts showing the difference inevitable between the ethics of militancy and that of industrialism; Spencer's "absolute ethics" is simply transfigured industrialism plus bourgeois individualism. Or, going to the other extreme, trace economic implications in Greene's metaphysical theological "Prolegomena to Ethics," and see how often and how strongly economics is the hidden driver of the development. Greene can not vitally represent the self-realization of the soul in God except through movements and relations which are essentially economic. Best for this purpose however is Westermarck's enormous collection. Westermarck will establish, not the economic foundations of ethics, but a psychologic theory. So far his course is in the main eminently satisfactory. The economic determinist will find dissatisfaction largely in two ways: (a) Westermarck more or less frequently appears to treat psychological hypotheses or schemata as representing completely in-

dependent entities, instead of being what they actually are, fractional, often very fragmentary, elements of concrete phenomena. The more developed the economic status, the more numerous and intricate these psychological efflorescences become. Thus he entangles the reader in a network of conflicting ideas, which are seemingly transcripts of real life, but which as taken are after all largely unreal fictions. (b) He does not often enough inquire into the causes which drive to the development of that "progressive civilization," of the very psychology, on which he would found his ethics. In this respect he closely resembles the psychological economists, Boehm-Bawerk, Fisher, Fetter, and others whose problems and conclusions move within an established psychology, without questioning the origin and the flexibility of that psychic substructure.

Making due allowance and insistently demanding the causes beneath the psychological explanations, the critical reader will find that Westermarck's pages almost without exception fairly bristle with facts which altogether make his book a demonstration of economic determinism as regards ethics. For example, his chapter on "The Origin and Development of Altruistic Sentiment":—Here Westermarck traces altruism—for many the bottom foundation of all ethics—back to external circumstances: natural selection—failure to show regard for others means the easier conquest of that race by the objective necessities of a continuous individual and racial existence; external relations and physiological stimuli leading to more prolonged associations, whence could emerge gregariousness and hence that sympathy which is so essential to moral concepts. "* * * the tribe arose as a result of increasing food-supply, allowing the formation of larger communities, combined with the advantages which under such circumstances accrued from a gregarious life." (Vol. II., p. 195) "No individual is born with filial love. * * * when a richer food-supply favored the formation of larger communities, filial attachment must have been of advantage to the race." (II., 194) "* * * even now there are rude savages who live

rather in separate families than in tribes; and that their solitary life is due to want of sufficient food is obvious from several facts which I have stated in full in another place." (II., 195) Westermarck next traces the influence of economic conditions on the hunting, the fishing, the pastoral, and the agricultural stages of human culture; the power of "local proximity," that is, the objective conditions of race maintenance, as dominating ideas of kinship; then his pages indicate that totemism, magic and religious superstitions are likewise products of longer- and longer-run ideas of individual and social welfare controlled at bottom by economic considerations. Next that the formation of states either by internal growth or by conquests of war results fundamentally from economic conditions direct and indirect. 'Just as the boomerang in a country plentifully provided with a food-supply permitted a marked social development to the Australian aborigines,' (II., 200), so "arms and the man" make tribal conquests possible, tribal exploitations, tribal fusions, and the like. "In mankind altruism has been narrowed by social isolation, by differences in race, language, habits, and customs, by enmity and suspicion. But increased intercourse has gradually led to conditions favorable to its expansion." (II., 228.) That is to say; the relatively permanent material bases of the pursuit of economic goods, namely, natural resources, population, tools and instruments, determine a corresponding mass psychology, which of course largely controls individuals old and new within that society. Similarly throughout Westermarck's book if the reader steadily demand to see the conditions of racial survival in the struggle for existence, and the driving causes below the psychological explanations given by Westermarck, he will find a huge body of facts constituting a full proof of economic determinism.

HOW ECONOMICS BECOME ETHICS

Space does not permit to trace out here how in primitive societies many customs and hence ethical ideas may have grown out of instinctive motor impulses—the useful surviving by natural selection; how individual and social consciousness

were rather the result than the cause of institutional phenomena. All this would be indispensable in a complete investigation of the problem. Suffice here that man in our civilization has become highly self-conscious. This developed self-consciousness introduces a significant factor into ethical evolution. It thus becomes possible to show clearly, though here in outline only, how in our day the changing economic gets itself transfigured into ethics, how it passes from external consequences into internal motives and ideals.

An answer to the problem may be put briefly as follows: A passion-laden, concentrated, abstracting reason makes through the aid of changed instruments and social organization a long-range mass conquest of some existing emotionally held concepts of personal and national good, that is, a change is wrought in the content of existing ideals. Since the ideals can change only in part and gradually, these changed concepts inherit a portion of the preceding emotions gathered about them. And besides this, they take on the passions evoked by the contest; that is, they remain suffused with emotion. A final willing acceptance of the new as a guiding principle of personal and national good constitutes the new ethical appreciation, in short, the new ethics. Next to examine this proposition with at least a little care.

Of course in one sense the primary fact of all human ethics and economics is conscious reason, the power of seeing relations, of foreseeing consequences, and of acting upon this insight and foresight. Man has been defined as the tool-using animal; better said, he is a tool-making animal. Now no tool, implement, or machine ever invented or improved itself. Each step in the evolution of the steam engine represents human imagination, seeing new relations, foreseeing consequences, and acting upon these sights. Civilization is in one sense a product of brain power. Art, science, practical knowledge are the crown and glory of the human intellect. Every forward step, be the drivers what they may, has either been foreseen however dimly and shortly, or if the first step were the result of mere chance, the outcome of habit, the stroke of pressing

necessity, brain of such quality was at hand to grasp some new possibility brought to light in the changed circumstances.

Not that a clear analytical foresight and a definite purpose or intention lay at the foundation, or a broad social view of consequences to be realized. Rather perhaps a dim forefeeling, a vague haphazard unintended experimentation, or emotional outburst, a motor impulse, the pressure of conflicting habits or needs; this in the individual, and an equally vague unintentional imitation on the part of others. Or natural selection would weed out more or less those failing to strike into more suitable arrangements. So that at first social and economic evolution were remote from conscious intention; to-day, on the other hand, in some respects our society tends strongly to approach deliberate purposefulness. On another side, no less certain is it that the thinker, the inventor, the initiator can not far outrun his contemporaries. He himself is a product of the culture of his time and is bound or straightened by the social stage in which he lives. You could have no Beethoven among the Tartars, no Newton among the Fuegians. As a rule inventions or discoveries have occurred to more persons than one. Further the new invention must find a suitable environment. It must fall in with social tendencies and be appropriable by an important element of the inventor's society; otherwise it goes into oblivion. It can hardly be doubted that often, very often new possibilities were foreseen which were not then realized because the time was not yet ripe. Thus multiple ribbon-looms were known two centuries before they came into general use; they were more or less suppressed for a long time, because the handicraft methods and instruments, rather the economic power in the handicrafts, sought to stifle the invention. The like occurs to-day. Thus then the mind of the inventor must find a suitable soil in which to root his invention. The same is true of all sorts of ideas in whatever fields. The mind initiates, but it is bound both before and after.

The changes referred to spring from the mind's power of concentrated abstraction. However brought about and what-

ever the driving influence, the mind has acquired the power of concentrating its attention upon a fixed area. It may be that the attention is steadied by material parts as in watching the interlocking movements of a more or less complex machine, or there are diagrams for the geometrician, or business possibilities for the mercantile man. Be that as it may, other interests are for a time more or less shut out. The observer is more or less absorbed in a more or less narrow field; the engineer in watching, listening to, examining his working machine; the artist in laying on his colors; the musician in securing musical values. For moments these men are dead to all ordinary outside influences; interest, whether from inspirational flash or from intensive brooding, fastens their vision, makes it almost microscopic; they perceive and feel relations among their objects, not felt, or but dimly, by others. Hence too relations wholly new or suggestions of unrealized possibilities arise before their minds. The new thought may be an illusion or it may represent a real relation. At all events the result manifests a concentrated attention, however momentary, a power of abstraction, an exercise of reason whether intended or unintended. Put it somehow to the test of trial, and it turns out to be real or to be an illusion. This process is substantially the same in all lines. Art, science, practice, sociology, theology, or what not,—concentrated attention, abstraction from interests and relations external to the immediate field, and in that field a minute and often a steadfast observation,—this in broad strokes is the general procedure in mental advance. It is precisely in this way in part that economics gets transfigured into ethics.

It is to be observed that in every culture stage of which there is any knowledge, the field of experience is already mapped out into various divisions or compartments, all created more or less by this concentration of the abstracting reason. The ethical field is there in more or less fullness: family relations of some sorts; rules or customs about property, that is, the material supports of life; rules of combat; the medicine man and religious functionaries; in all societies from the

savage up to the highest religion and culture of to-day, a right and a wrong are recognized, and respect for the same is in some way enforced. In the oldest book in the world, from Egypt some 6000 to 6500 years ago, Ptah-hotep, one will read sentences which are in essence precisely what one reads and hears again and again to-day. Khammurabi, 2250 B. C., shows legal and ethical principles, whose like are in force this very day over millions of square miles. The pastoral code of Moses passing to that of settled commercialism, agriculturalism, industrialism, shows the same. And as said, when one looks at their content, one finds them dominated by economics. Hence it is nothing mysterious or exceptional that changing economics should show a changing ethics. The stock terms are old. The content is new. Aristotle 2200 years ago taught justice, veracity, courage, temperance. So did Ptah-hotep in Egypt 6000 years ago; Khammurabi in Babylonia 4000 years ago; and Moses; and the Vedic writers in India. The terms are not new. But the content is unlike that of other cultures, other economics. Thus slavery, chastity, truthfulness, temperance, courage all change. The names remain the same because each stands for something steadfast but expressing differing views of tribal, social, or individual good or welfare.

That the content in each age is not unemotionally held is seen written for example all over the imprecations and the blessings in the Mosaic legislation. One reads the same in old Assyrian and Babylonian literature. Ptah-hotep of old Egypt tells the same,—not to mention ancient Greece, China, India. It is perfectly of a piece with the emotions and judgments of to-day. Let the trusts strike too hard, or a financial panic press the means of subsistence too closely—everybody knows the dumb and the vituperative rage which seeks redress and vengeance. One invokes the whole vocabulary of right and wrong. The case was exactly the same in Egypt 6000 years ago. Khammurabi 2000 years younger differs from Ptah-hotep. Moses eight to fifteen hundred years after Khammurabi is crude compared with the Babylonian sage. Centuries afterwards Greece and Rome ran through their transi-

tions from gentilism to Rome's giant legislation. Rome fell and the Germanic invader gradually changed his own decayed or decaying gentilism for Roman ideas, but only after centuries of struggle. To repeat, the names are old, the content is ever changing. The names represent ideals of personal and social welfare, in mass the pursuit of economic goods. As the pursuit changes, ideals, which are after all only such abstract generalities concerning the good as are fashioned by a concentrated emotionalized reason, change with equal steps.

The foregoing leads to a remark or two about good and about reason. These words are of course highly ambiguous, and this ambiguitv blurs emotional outlines also. The good may be either physical, sensuous, intellectual, aesthetic, individual or social, moral or immoral. It may concern itself with means, with processes, or with ends, with this world, or with the next world, and in all cases it may be short-run or long-run, transient or permanent. One can not here spend a great time in discussing the millenium-old problem of what constitutes the good, or the supreme good. There are volumes and volumes upon the subject. For the most part as an ethical and religious topic, the matter has turned upon abstract generalities. Whether as with the theologians the supreme good be obedience to the will of God, or be the "beatific vision" of the Romanist, or whether with certain intuitionists moral goodness is a specific quality of actions quite apart from their results, or whether it be a realization of all the potentialities of the self, or a state of happiness for the race or for the individual as such, it makes not much difference for the purpose here. Because when one compares the various schemes, one finds that they all have in common as their dominant content a long-run idea in place of a short-run. Even distinctions in kind are recommended on this ground; temperance is preferable to intemperance at least for the reason that generally and on the average one can have a greater mass of enjoyment, satisfaction, development, and self-realization in the long run, from being temperate than from being intemperate. Besides, as one steps down from abstractions

and passes to concrete reality, one finds a rather extraordinary agreement among all schools. And when further one examines wherein the agreement consists, one finds himself dealing with direct and indirect economics. One may be as abstract as a Kant who makes morality to be the willing acceptance of a law having universal application—and this certainly is a good test where properly understood—but Kant can not make this system move one step apart from economic considerations.

So far as the pursuit of material good is essential to life, to progress in culture, to self-realization, this much at least of economics is not opposed to the ethical; rather here the two are strictly identical. No wonder then if this fact of agreement should lead to an extension of the sphere of identity, or that the emotions said to be appropriate to the one are transferred to the other. As a matter of fact the ethical covering has been and is extended over the economics.

The dominant ethical is in fact largely the long-range economic as conceived by a reason which looks far ahead taking into account remote and indirect developments and creations. Reason varies in its power to see and to foresee. However dull and weak it may be, it must have developed since the separation of man from the brute. Then, besides, actual life and social experimentation work out results wholly unanticipated by the thinker. These then are also a matter for reason to analyze, and to ascertain causal elements, and to adjust the calculations or instincts or intuitions anew. To a reason at one state of strength rules and rights are appropriate, which are not so to a reason at another stage of development. Hence conflicts between opposing views, hence evolving economics and evolving ethics.

Here then we have the conditions whereby the external economic passes into internal motives and ideals, in short become transfigured into ethics. An inventor or initiator intensely interested in a more or less contracted field of consideration thinks he discerns new relations and foresees higher results, a greater or more economical production, or a better distribution. He preaches it or practices it, if he can. He

shows that, other conditions substantially unchanged, he can get fuller results; he and those interested with him proclaim the new way to be better, more productive, more desirable, more reasonable, and therefore right. They also proclaim it the duty of society to put the new process through. It opens up new possibilities, it increases the resources of the tribe or the nation, the public welfare is enhanced, and the public conscience which knows itself demands the advance. Then the whole vocabulary of ethics, of ideals, of spirituality, fills the air. On the other hand the new must more or less dislocate the old. The holders of the old see their position threatened; they do not or can not readjust themselves to the new. Many are unwilling to try, for they are expert in the old rules, they fear their adaptability to the new. The skill of the old archer can not be transformed to the management of the new blunderbuss. The handicraft man is appalled at his danger from an automatic machine which renders his handiwork skill a superfluity. Thus a contest between the old and the new emerges, which calls into play every emotion and desire of the heart. Heaven and earth are dragged for reasons pro and con. Every possible string is played upon, gain, greed, the rights of man, the blessings of freedom, national virtue and glory, family stability, the decay of religion—nothing is left untouched.

In constitutional countries every election campaign manifests the process. The question may be local taxation, or the tariff, reciprocity, or the recall of the judges. Everywhere you perceive high and low playing upon the same emotional stops, in the name of patriotism, virtue, justice, honesty, truthfulness. All the while the question often concerns only an economic detail.

Every reformer, social or otherwise, goes through the same experience. He sees his doctrine so narrowly and within his concentrated vision so clearly that he can see scarcely anything else. Thus every conquering cause clearly sees some new results. With proper resources, it marches on to victory—and to quite unexpected further results. Pitted against the new is the old, not less intense. The victory rests at the outset with

the side that has the greater economic power. Often enough there is need of an intellectual growth. The masses must catch up, or the old line must die out, while the new idea is refashioning the psychology of the rising generation. Natural selection weeds out the old and thus establishes the new. This accomplished, the transition is a settled fact, over the corpses of thousands who were either unable or unwilling to adapt themselves.

Has the ethical vocabulary changed? Not at all; the terms are still there; the passions accumulated about them are still there. Only, the terms no longer mean just what they formerly meant. A change in content has occurred. The organized church usually at some distance from the firing line, and on the conservative side—orthodoxy is more "timid" than the timidest capitalist—takes up the new chant, and we again learn what we have so often learned before—"the world is at last coming to see God's real purpose." Yet often enough the question is at bottom only some economic change.

It is through the representative power of the mind that efficient or external causes become transfigured into final causes or motives. The pressure of experience drives into consciousness the perception, say, of an external causal relation, the forces acting for and those against. An adequate representation of the relation so reproduces in the mind the external sequences and their correlated effects upon the body, that the motor impulses fairly tingle towards appropriate responses. Amid suitable circumstances and in case of prepared minds, a signal as it were from real life renews the chain of associated representations; a discharge takes place along the forefelt and prepared lines. Has the objective determinant lost its dominance in such a case of successful adaptation entering the realm of consciousness? In no wise. As it were, the chain of external sequences has merely been illuminated by the light of consciousness, the chain remains unbroken. The external relation is the genuine thing; the representation is in a way its product. This priority manifests itself instantly at a failure to discharge aright; the

person lands in the old difficult position; the struggle to escape pressure is renewed; the blind mechanical response to stimuli occurs as with the brutes, or short-run considerations govern as with the ignorant or the impulsive. It is therefore not the schematizations or abstractions of consciousness, nor the self-unfoldment of the immanent content of the purely psychic, which are the real drivers of mental and social evolution. Rather the motors are exterior forces and responses to them by the relatively flexible organism which supports or manifests consciousness. The elements of these abstract schematic drivers together with their emotional fringes are themselves registered products of these outer forces. In the main, readjustments mental and social merely place the organism more directly in the course, or under the influence, of the active powers. The external factors control the final result, precisely as the rules of the game determine the conclusion, if at any time the chess player rightly announces mate in five moves. The foresight of the end is not the cause. The rules of the game decide the situation.

Passions and emotions are our drivers,— these rule our conscious lives. Often reason is only a servitor employed chiefly to minister to those desires. But reason is not wholly without force. Its function is to discover true relations among phenomena and to represent these relations adequately as determiners of the emotions and the will. Reason should rule — this means for the most part the substitution of long-range results for short-range consequences. This is true no matter what the ideal may be,— enduring enjoyments versus fleeting pleasures; a full many-sided realization over against a narrow self-realization, which lands only in a speedier collapse; duty versus egoism; the future life versus the present life. Emotions drive,— reason indicates some better lines of discharge.

OTHER ETHICAL SYSTEMS

It may serve to give more security to some in the contention that ethics are economic in mass effect, if one con-

sider for a moment the economic postulates or presuppositions in some other conceptions of ethics. Now nothing can be more abstract than the ethics of the great German, Immanuel Kant. Kant isolates pure reason completely from all sense experience. He cuts out wholly everything pertaining to emotion and sensibility. He conceives a kingdom not merely of pure human reason as it were, but of angels, or other purely rational existences. No passions, no desires, no wants, no physical or physiological necessities exist in his ethical realm. Of necessity no test remains for him but that of logical consistency. There is no real content to his ethics. For him conformity to the idea of law laid down by reason to itself constitutes morality. Any other motive whatsoever renders an act so far forth immoral.

Now observe some assumptions at the bottom of this system. Kant presupposes continuity of existence in his realm, both as a fact and as a desire; further he presupposes that no one in his kingdom of pure rationals has any power over any other one. Not only is each in that realm independent but also none can in any way determine or limit the existence of any other person. Within his realm there is no problem of food, clothing, and shelter, there are no economics at all. It will perhaps be truer to say that for real economics he posits a sort of spiritual economics, "Man doth not live by bread alone." Just as his ghostly formalism rests upon a fancied economic base, so real ethics are inseparable from real economic foundations. Naturally since Kant's rationals have no needs, he can easily scorn all conceptions of human earthly welfare, human happiness, human economics. Hence the repulsive character of Kantian ethics. Even the majority of ethical idealists break away from the Kantian representation.

No less applicable are these remarks to the mystic, or to him who seeks "the beatific vision." He presupposes continuity of existence, and an economic not known to exist. He places in another realm his welfare, his full satisfaction, his complete realization, his absorption in the Deity. His

total economic presupposition is in one sense quite other than human economics. In another sense he represents the concentrated abstracting reason in actual operation. In his demand for continued existence after death, he only rereads with greater abstractness and generality the earthly facts which as manifested are called the instinct of self-preservation, without which his race had not endured to give him birth. His self-unfoldment, his complete satisfaction in the Deity, is only an abstract extension of the known driving powers in his struggle to maintain present physical life. Just because by abstract concentration on certain aspects of life, he has from the groundwork of his real constitution pushed his present demands and necessities into an unexplored realm, he falls into the illusion of the relative nonentity of these demands. Thus he scorns considerations of to-day, denounces passions, desires, the demands of the present life. Apart from these demands and desires, he has not a solid spot from which to leap to his mystical absorption. Just as Kant, so the mystic plays with spectral abstraction. And it is curious to observe how much of their ethics after all is but a ghostly reflection of actual life. For neither Kant nor the mystic can give one glimmer of movement, progress, or content, to his ethical ideas, but by lapsing back for a moment into real life with those passions which are known as real only when manifested in a human sensitive body tied to physical and physiological necessities. The fact that their ethics play only upon an unreal economic ought to imply that real economics are driving powers in real ethics.

Entirely similar is the case of duty as "the voice of God within us." It is easy in a way to understand the origin of this concept both as a historical and as a psychological fact. It is accordingly easy to understand why the "voice" delivers such varying dicta from age to age, from culture to culture. It is simply that the conditions of survival, that is, the modes of production and distribution, are different. A mass psychology in conformity with the varying con-

ditions of existence is generated. This folk psychology reflects and expresses these conditions. But wholly apart from these considerations, when one examines the content of these dicta, one finds the old familiar economic elements clothed in a various language. "The voice of God" in one age defends slavery. And in slave psychology, the patois of slavery gives back the very soul of the enslaver's language. "The voice of God" can institute inquisitions, can establish tribal barriers, create the exclusiveness and superb vanity of a "chosen people," can make the vices of patriotism into cardinal virtues, can in fact generate, or rather express all sorts of ideals in which for the moment this or that people or its dominant class finds its present salvation. When the conditions of salvation change, the "voice" comes lagging after — at least as organized in religious sects or national church bodies.

A look behind the veil, or a reduction of the abstract formulas to concrete cases shows universal economic necessities realizing themselves under changed conditions. The instinct of self-, class-, and race-preservation in the grip of material necessities realizing its ends with various, varied, and varying means wreaks itself outward and onward. The social usages and customs conditioning the struggles of the individual bend and alter according to a shifting center of equilibrium. Every section of society is both cause and result, is condition and conditioned. Amid all the change, two relations remain as immovable, invariable presuppositions — the instinct to live, and the necessity of the means to live. Abolish the instinct and the means are non-significant. Abolish connection with the means, and no matter how great, how enormous the demands and desires, life perishes. Therefore it is that Kantian ethics with its kingdom of pure rationals without physical needs, passions, or desires becomes a travesty. Likewise mysticism, whether it seek absorption in the divine essence or content itself merely with adoration of the "beatific vision," has power only with peculiarly constituted minds. "The voice of God," unless it speak the language of reality, however transfigured the

concept, is as the voice of one crying in the wilderness, the voice remains a mere voice.

ECONOMIC DETERMINISM AND OTHER MODES OF CONSCIOUSNESS

Next to anticipate the most vigorous criticism that will be brought against the foregoing representation. This criticism will assert that all consideration of the independence of science, music, painting, architecture, the dance, the drama, literature and art in general, religion, a thousand and one notions and inspirers is left out, is reduced to zero. These, it will be asserted, are original and independent powers in human life. And if these, then also ethics; hence perhaps the representation above should be reversed, namely, that ethics determine economics, instead of economics determining ethics. Now one must concede immediately that all these things are more or less original forces which also determine economics from some points of view, yet the original position that the economic is the indestructible groundwork of them all must be maintained. They each gain a relative independence, but they never get free from the economic, and as mass phenomena they largely represent the product of economic forces. The whole is a question of complex or circular causation, a phenomenon is at once effect and cause. This fact is what makes the dispute interminable and so elusive and plausible on both sides.

First then the origin and the development of these so-called non-economic independent spheres and motives are clear so far, namely, in some sense, art in its various forms, science, religion, and so on, are powers, latencies of the human organism, rather perhaps of organic beings in general. This precisely in the same sense as the qualities of water are somehow latent in the hydrogen and the oxygen which chemically unite to form water. In one way we do not understand this chemical fact at all; we push a principle of continuity into the phenomena and think we explain the matter more clearly. In another way we understand it completely,

namely, in the sense that with unfailing regularity we count upon the recurrence of the chemical phenomenon under appropriate conditions. In exactly the same way we expect regularly the recurrence of certain vital and physiological phenomena under appropriate conditions. Hence given the human form we expect response to light, to sound waves, to pressure, to heat and so on. We expect hunger, thirst, pain, the sex impulse, the whole intricate complex which makes up the normal man. Mind and body are indivisible; we never find mind separated from body; as the body grows, the mind grows; when the body weakens and decays, the mental manifestations weaken and decay. When the body dissolves the mental manifestations cease. So far as known, a Kantian "pure reason" other than an abstraction is an impossibility. Accordingly believe what one will about the future, it is past dispute that in this life bodily demands, bodily necessities of food, clothing, and shelter, these are fundamental. Their pursuit is the pursuit of the economic. The higher aims must rest upon these. So far forth economics determine every manifestation of human intelligence. This is indubitable. If faith as of a grain of mustard seed could move mountains, the faith seems rather scanty, for mountains appear to be rather steadfastly fixed objects.

Now already something of the work of the concentrated abstracting reason, or intellect has been seen. This, applied to the various life expressions, is conceivably that which develops in part these relatively independent motives, energies, or exercises. One does not here spell reason with a capital, and try to make it out to be that "pure reason" monster of Kant or Hegel. The history of human culture from savage through barbarian up to the mind of a Newton, Kant, Beethoven, da Vinci, Shakespeare, Edison, or Clerk-Maxwell forbids such. Everwhere reason is immersed in sense, in passion, in physical needs. A new insight is often enough a mere reaction to a chance experience, or to blind unintended motor impulses. Somewhere and somehow the new insight supervenes just as water qualities

emerge from the union of oxygen and hydrogen. In himself moreover every man sees and experiences such concentration of intellectual power. Each person can within certain limits shut out all extraneous ideas and hold fast to one mental object, even if it be no more than fashioning diagrams out of the fixed designs on a papered wall. He thus creates for a time relatively independent centers of regard. Some men have this power of concentration so strong that they are said to withstand even the tortures of the rack, as is told of Giordano Bruno. But the list of such men is very limited. Bruno could not out-think the stake at which he was burned. Still these centers of regard relatively independent are generated; within certain limits they have an indubitable power. One can become so enthralled with them as to neglect all direct personal economic welfare. One can be so taken up that one has the illusion that somehow the economic necessities are as nothing. The illusion may go so far as to dwarf or to kill the real physical economic as a mental representation. That is to say, as conscious motives in the field of mental representations, life itself apart from a certain set of valued ideas, ends, or motives is regarded as worthless. Hence the roll of martyrs for any and all causes is immense in length. Still however long this roll may be, as one traces it down the ages, it yet represents only a small fraction of humanity. It shows only sporadic cases, it does not show mass phenomena. In manifold instances, the persons are immersed in earthly economics, or in numberless others as in religious martyrdoms, they represent a transfigured economic whose center of gravity as it were is placed in the other world. The roll therefore does not represent a pure disengagement from the economic, except in but few cases. If one pass from these immensely infrequent cases to the overwhelming majority of religious believers, then if one can show these independent centers to consist in the main of economic variations, that is, of indirect economics, the thesis will receive additional support.

Music for example. Music presupposes a development of nervous tissue, of sense organs, and of material instru-

ments. It bottoms on physiology. That hearing with all its delicacy of discrimination is so highly evolved must mean that it has directly and indirectly aided in the struggle for existence individual and social. One can see immediate advantages of an acute discrimination of hearing. Not less advantageous must it have been in social relations,— the courting song of birds for example. The struggle for individual and social preservation in combination with the rhythmic processes of nature is reflected or reproduced in the sensitiveness of nerve structure. Rhythm and hence music is imbedded in the nervous tissue. For the individual it is an intrinsic endowment and is thus a relatively independent center. Passing over its biological aspect, in birds for example — where it is very highly developed, explained in part at least is an instinct of the individual either subservient especially to sexual selection, or expressive of abounding vitality and thus conducive to racial welfare — and turning to man, we see this faculty quickly bent to economic purposes.

One definition of the economic is the pursuit of objects and services which satisfy human desire. Instantly then from this definition music rests upon economics. In this broader sense economics is more than the pursuit of food, clothing, and shelter. Music as the satisfaction of a certain aesthetic sense is not commonly thought of in the economic terms. But whenever regarded as a service for the satisfaction of the aesthetic faculties of others, it is largely economic. So far as we think of music as cultivated or practised merely for the gratification of the musical sense, we think of it in non-economic terms. So far as we think of it as cultivated and used for extraneous purposes, it unavoidably takes on an aspect more or less economic. Even the first case can have economic connections. Thus music in religious ceremonies may be dominantly for the purpose of inducing or again of expressing certain feelings not immediately economic. But also behind this religious expression, this same motive may on the part of others be mixed with a purpose to preserve relig-

ious power and influence. As a mass phenomenon, ecclesiastical power is necessarily combined with economic consequences and causes.

The musical service rendered in religious organizations, is it or is it not accompanied by pay? Is it or is it not followed by the majority of the performers as a means of subsistence? Our professional players, and composers, do they or do they not on the whole seek thereby subsistence as well as glory and other indirect economic utilities? No doubt at all, that out of the original functions, the instruments, and their laws the concentrated abstracting intellect can create distinct problems to whose solution it may devote itself intensely, even to the exclusion of all other considerations. The listener may give himself up unreservedly to the appreciation of the performance. This exclusive abstract sectioning of the phenomenon may be for many purposes altogether admirable and by some it may be thought to be the only pure treatment of the musical faculty. But it no more represents the total reality in the matter than the physiologist can finally discuss digestion apart from circulation, from breathing, from nerve action, from muscle and bones. Mere digestion is an abstraction. The rest of the body is not simply a questionable negative *sine qua non*,— if such distinction between *sine qua non* and cause is thinkable,— it is also a positive determiner of digestion. Similarly with music and the economic. The cultivation and the development of the musical faculty presuppose material instruments, recording instruments and various media. Apart from these material means no stage of musical culture once attained could be maintained and passed onward into the succeeding generation. Without the previous training given through instruments, Beethoven become deaf could have written no sonatas nor symphonies, nor apart from the piano could Chopin have evolved his subtle transitions and marvelous emotional outpourings. Without metallurgists and other artisans, Wagner could never have produced such orchestral effects, nor could others set out to invent as it were new sounds and new combinations. Indeed

an entire book might be written to show the intimate dependence of musical development upon instruments and media of notation. But all this progress involves a wealth of objective economics.

Besides this, music as a mass phenomenon presupposes a certain average of production. The musician as such does not spend his time wholly in direct economic pursuits. He must have a certain leisure for practice and study. Hence our musicians as a body represent a class, not producers of material goods, who yet must have these material necessities. Given a certain average of production, then the musician must find in some acceptable manner a method to secure a portion of the product. Can any one doubt that the bulk of our professional music represents a native function turned to economic uses? Do and did the great musical composers find no economics entering into their hopes, fears, and calculations? The matter seems relatively clear. Abstractly considered music represents a faculty which may be regarded separately from direct economics. The abstracting concentrated reason may work up special problems and their solutions within the arbitrarily limited range. A step back to the complex real shows that the driver of the development of this faculty is found in economic considerations. Let the average production of material goods fall off, and the musical profession suffers a great shrinkage. What music would be apart from professionals or quasi-professionals with corresponding material instruments may be guessed at from the persistency of folklore tales. Mothers would croon as they have done for ages their lullabies of solace; the songs of playtime, of relaxation in festal gatherings, would continue much as with the barbarian tribes. But an art and a science of music would be unknown. Developed music presupposes a developed economic status. It springs from this status and reacts upon it. As a mass phenomenon it is turned to economic purposes. Its driver is not merely aesthetic pleasure but aesthetic pleasure pursued for economic ends also. It does not cease to be music, even if it be interfused with economics.

Like considerations apply to painting, to sculpture, to architecture, to all the aesthetic arts. That the practical arts are dominated by economics is implied in the very name, practical arts. Even science itself with its cold, clear light is pervaded by the same spirit. Certain parts of physics are dead or sluggish because there is "no business" in them. Electricity jumps forward with giant bounds because it is filled with business. Chemists seem dominated by the demand for business possibilities. Multitudinous problems are set for them because certain processes are desired in order to meet this or that economic demand. Witness almost any paper on chemistry. Of course there are always some systematizers, thinkers, abstract generalizers at work upon data — seeking, as they say, truth for its own sake. Granted of course. And it is to be hoped that they get beforehand a tolerable economic status and reward plus their glory and their satisfaction in dealing with high abstractions. But these men are not the mass phenomena, and even their high devotion is glorified, because experience has also taught that every advance in knowledge and power contributes finally to improved economic welfare.

Religious beliefs themselves, which in their highest flights and deepest emotional stretches assume for the passionate devotee so profound a sacredness, are as a mass phenomenon inextricably intertwined with present and future economics. With savage and barbarous tribes the deities are powers chiefly hostile and destructive; the main idea of their religious conduct and ceremonial is to ward off evil from self and tribe. Often enough ancestors and notable chiefs are deified, and aid or comfort is sought from them as being blood relatives or powerful agents. The early Vedic hymns and such literary fragments as are gathered from various savage and barbarous tribes show that religion is conceived as a ceremonial largely to further the economic welfare of the individual, family or clan, the tribe or the race. The Jewish Old Testament is earmarked throughout with the same idea. Constantly the cultivation of the religious cere-

monial is recommended because of results in this life, "the land shall flow with milk and honey," or this or that national plague or disaster is a divine chastisement. Our "Lord's Prayer" has for its heart "give us this day our daily bread." Our yearly thanksgiving proclamations invariably in sonorous phrases voice the reference to economic welfare. Have it as you will, either the economic knows how to bend religion to its purpose, or ecclesiasticism knows how to assimilate to its own views the imperious demands of continued earthly life. In either case the permanent influence of the economic in this matter is transparent, openly and naively in crude and barbarous religions, subtly and obliquely in the refined abstractions of to-day.

It is far from the purpose here to deny the enormous power of religious belief in human life in all its relations. In no field has the concentrated abstracting power of human intellect and emotion shown itself more intense. "The zeal of thine house hath eaten me up." Apparently, religious belief and economics are often poles asunder. None the less does the economic drive itself through every religious cult. "The laborer is worthy of his hire." The short-range economic is not the long-range. The causation is both near and remote. Persistent influences work steadily onward. Often their mere persistency is a temptation to overlook them completely. It is so with the economic in religious disguises.

Even with the individual the pervasiveness of this force is illustrated again and again. For instance a Jew in Russia is a case where a religious belief is held in apparent defiance of immediate economic interests. And yet, considering this Jew's social relations, the surroundings within which he must continue to live, the ostracism visited upon the apostate, the contempt for the renegade felt and expressed in manifold cases by his religious persecutors, considering the present economic status grown from a past economic status, he may find that after all his best economic hope lies in comforming with his ancestral faith. So that his religion constitutes his best economic stay, and his economic hope confirms his relig-

ious ties. Add to this the myriad-fold influences of his earthly training, the emotional religious awe of earlier days, the sympathy pointed and concentrated by common sufferings from persecuting hands, the fears, anxieties, groanings, tears, and wrestlings with God by his parents and co-religionists in many cases in the past, the hopes, beliefs, tragic and glorious histories, the exaltations and ecstacies preached into him by father, mother, teacher, rabbi — all these, sprung from a psychology born and nourished from a certain economic soil, generate in him a corresponding psychology wherein the present economic is colored with a Joseph's coat of many colors.

If he be one of those with strong emotions, a native and powerful concentrated abstracting intellect, the present economic may become relatively insignificant. He will transform his earthly economics into celestial presuppositions. He will sacrifice this life for a future hope. His abstracting emotionalized intellect has shifted his center of gravity. The end of economic pursuit is the gaining and the maintenance of an agreeable state of consciousness, however the word agreeable may be interpreted. No ethical or religious system conceives an eternal chasm between virtuous conduct and happiness as an agreeable state of consciousness. The pious Jew or other believer takes only what is to him the long-range view of the end of the economic pursuit. His attitude represents not a contradiction of the economic but only the contradiction of the ordinary rather narrow view of economics. It may perhaps be said to be the limiting case on one side as that of the sated materialist is the limiting case on the other. In such cases, the desire of this life is gone, and with it the force of the ordinary economic motive.

Such cases however do not represent the mass phenomena of religious beliefs and cults in relation to the economic. As seen, among savage and barbarous tribes the economic stands out clearly. The Old Testament covenant apart from ritual is clearly the social and personal economics suited to and coming from a shepherd tribe passing into agriculturalists

and commercial traders. In Khammurabi's code ecclesiastical powers exercise large economic powers. Similarly in ancient Egypt. And then down the entire history, one finds the like interlacing. In Egypt thousands of years ago recurred the problem, the absorption by the church of the land and wealth of all kinds. Often for long centuries priestly power was real because of the economic power behind it. Time and time again the civil power has had forcibly to expropriate the clerical power; the state was in danger of becoming wholly subordinate to the ecclesiastics. This contest repeats itself from age to age. The church whether Egyptian, Babylonian, Hindu or Roman has always had an omnivorous maw for the goods of this world. One sees the contest to-day in France, Portugal, and Spain, with the church of Rome. The history of the Roman Catholic church from Constantine to the present day is the record of one long contest for political and religious power through the acquisition of economic power. Through every vein and artery throbs with steady insistence as the lifeblood of this organization, 'preserve religion and society by preserving the political and the economic power of the church.' Select minds of great abstracting ability, such as thousands of divines of this church and of other churches have been, can easily discover the essential identity of spiritual aspiration in all grades of religious culture, can elaborate systems seemingly wholly removed from earthly economics, but the practical theorizers and administrators never fail to recognize a similar essential identity of economic aspiration, and to base the airy constructions on more metallic soil. Witness also such manuals as that of Brother Louis of Poissy, apostolically blessed by the Pope, which combines with superb dexterity theological assumptions, metaphysical postulates, and flexible empirical principles, all to maintain the concrete power and precedence of the Roman hierarchy. There are no waters so troubled as to discourage the ecclesiastic from fishing. There are no windings of policy which the church can not readily turn. There is nothing strange, nothing unreasonable in all this because

there is no situation into which the economic can not and does not penetrate. Hence the grip of the economic is strictly inevitable. The only incongruous thing in the whole matter is the zephyr quality of the abstract self-assuring professions, and the earthly, temporal, flexible character of the concrete practice and result. Without doubt the religious and the ethical stage of culture at any one moment are relatively independent causal elements in the immediately following economic movement. But that religious stage is itself a product of previous forces, the dominant one of which was the economic. Hence it still remains a truth that this religious stage represents at least a part-product of economic determinism.

Just as the infinitely complex bodily organism permits in individual cases million-fold deviations from normal lines, which deviations nevertheless are either cancelled by the extinction of the vagrants, or are brought into fairly regular courses by the constant pressure of biological forces and necessities; so religious feelings and beliefs wander over devious paths, but in the main they are pressed into consonance with prevailing economic concepts and processes. They do not cease to have a kind of efflorescing independence, but they likewise never fail to come back to the primal demands. It is simply impossible that it be otherwise for any length of time, because congruence with the conditions of existence is the indispensable precondition of continuance in existence.

MEANS AND ENDS

Ordinarily, ethical discussions and treatises deal with wide generalities. They handle such themes as the supreme good, essential virtues, happiness, egoism, altruism, self-realization, the "beatific vision" and so on. Thinkers derive from speculative treatment of certain phases of experience various conclusions, which they then postulate as a priori presuppositions. Supported on these aerial pinions, these thinkers will traverse with diagrammatic exactness and complete certitude infinity and eternity, and they show such a sureness

of knowledge of even minute details of the mind and the purposes of the Deity, that a mere scientist however mathematical can only wonder that there yet remain any problems for the human mind to solve. But at bottom it is simply the characteristic clerical and metaphysical trick of translating (often unconsciously no doubt) real aftersight into a pretended foresight, and of assuming that to deal with the words infinity, eternity, divine and the like yields a knowledge of corresponding worth, infinite, eternal, divine. It is a curious commentary upon these soaring efforts to note historically how constantly these " final " interpretations of the divine plan are subject to revision. But whether the ethical discussion assume to determine the final destiny and end of man, or concern itself with only this life, the ordinary treatise says but little about the means; it deals mostly with the end, happiness, self-realization, virtue as such, the realization of the will of the Deity, and so on. To-day on the other hand much more will be implied as regards the means towards these ends.

Ends, be it observed, are of various degrees of remoteness. A man may believe it desirable to increase the prosperity of his country. He may think protection or socialism would tend to accomplish this result. He may therefore set out to achieve protection or socialism. To this subordinate end he may think it the suitable thing to change the national legislature; and to this end again he may deem it necessary to institute propaganda work of some kind; to this end again he may seek for money, pamphlets and so on. In every case here are ends to be realized, and in every one of them means are implied. In his view one of the means to get national prosperity is to have men and women work under certain prescribed conditions. The human beings under such conditions are the means. The legislature is the means to secure the conditions. Propagandists and converted voters are means to secure the legislature. Money, pamphlets, and so on, are further means to secure propagandists and voters. And so on in a most variegated way. Thus there are ends more

or less remote with their corresponding means. It is perfectly well known that the immediate though subordinate end may for many purposes exclusively occupy the mind for a time; it may even completely usurp the place of vantage, as does money with the miser. Like substitutions occur with reference to economics and ethics. Just as the protectionist or the miser may come to think that national, or personal welfare is identical with his peculiar desires, so this or that ethical debater may conceive the ultimate or final good of men to be identical with a particular set of ideas. This confusion of possible ends is one cause of ethical disputes.

In all cases the acceptance of the end implies the acceptance of the means. On the other hand the nature and character of the means has determining power regarding the ends. Hence economics and abstract ethics are inextricably intertwined. Economic ends and means are less remote than the ultimate ends of abstract ethics. Economic ends and means are proximate ends and means of ethics. Since the end can not be achieved without the means, the obtaining of these means becomes itself an essential proximate end, that is, in general we must pursue economic goods. No less certainly do the means determine the end. Ends proposed for which no means exist are outside of ethics and practical affairs; they are mere academic fancies. It were senseless to discuss the ethics of our relations with the inhabitants of Mars. Corresponding to this change in the nature of the means and their possible coordination, is the change in the possible ends to be realized. Hence a change in production, technique, or organization implies change in ethical possibilities.

Since the vast majority of mankind possesses no economic means, the first ethical requirement of them is to get such economic goods. In all truth for the multitude there is little or no distinction between economics and ethics. The nearer their struggle is to that for mere existence, the less can their economics be distinguished from their ethics. It is thus evident that, for the majority, economics can as little be cut out of ethics as can food from life. With every change in

tools, technique and organization of economic means begins a change in the practical ethics of the vast majority of mankind. The remote abstract end may remain unchanged. The real concrete relations are shifting as the banks of a living stream.

IDEALS

No doubt with some there is grave dissatisfaction with the views just expressed. Some are perhaps saying: — "How brutal, how low, all ideality of life stripped off, spirituality dead, life reduced to a bread and butter demand. All the amenities, all the graciousness, all the poetry, the ambitions, the splendor of the human intellect, of human virtue, of human self-sacrifice, consumed in the charnel house of body, of physical existence, of passions which we have in common with the brute." Nor will these protestors be quite content if it be replied, however gently, that this protest is after all simply a manifestation of that abstracting emotional intellect, which sees too narrowly only one aspect of the matter. Widen the view. See a more concrete object on which to spend the high emotion. The vigor of the protest might in some cases measure the possibility of an equally high endeavor towards more palpable results.

For in answer to the protest it may be said: — (a) In no way have worthful ideals been attacked. The criticism, destructive as it may seem, has touched solely excesses of idealism. An idealism such as Kant's, which scorns the necessities whereby we have any knowable life appears to be an abstraction become an excrescence, a noxious growth causing a malformation of the living being. If ethics are to be real, vital, practical, one must get out of dreamland into actual life. The ideals should be workable, not fantastic demands which utterly neglect the concrete circumstances wherein the ethics are to be practiced.

An ideal suited to a being devoid of human needs can never be appropriate to a struggle in which millions are constantly or often below the level of proper food, clothing, and shelter.

The idealism that scorns physical and physiological necessities, that with an afflatus of spiritual pride assumes to find food and drink, flesh and blood and bone, the indispensable labors of life-maintenance, the unavoidable secretory and excretory processes of living nature, to be essentially vile and debasing, instead of seeing them to be what they really are, namely, as divine as anything can be,— for this idealism there is no longer any use.

The aesthetic idealism that confounds and condemns alike the squalid monstrous slums and the magnificent skyscrapers of modern civilization, that confounds alike the temporary sweat and grime with the needless vulgarity of the burly workers about the colossal furnaces and mills of steel, and prefers Watteau court shepherds and shepherdesses living an impossible life in a Ruskin atmosphere of fantastic Arcadia; an aestheticism which largely devotes itself to phrase-making with bits of emotionalism, as if these mere points of experience were the whole or the most of life, seems too minutely fractional for full respect; it leads only to distorted and relatively degenerate views of human life and human worth.

The political and social idealism of a Plato or an Aristotle — these are merely instances of what recurs decade after decade down the long line of the centuries — flowering out upon the groundwork of a slave society, and despising the labor and the subject mentality, without which these idealists could not actually live, and which they themselves, by teaching, by preaching, and by applying social physical force, ceaselessly re-create, we frankly deride, just as we deride the correlate servility and philistinism, at once effect and cause of such idealism.

An idealism of morality that, like Wordsworth's "Ode to Duty," commingles theology, physical science, biological individual and social instincts, sensation and reason, law and freedom, all in a vague quasi self-existing ideal, which however points only to realizing a kind of contentment with self; in short, a moral ideal which merely voices undefined and often undefinable aspirations after I-know-not-what seems

too much "the counters of wise men" become "the coin of fools."

Nor is there much greater use for an idealism that inverts the relative importance of the duties of to-day as compared with those of a future life, while it throws soporifics to the betrayed and the despoiled, and creates such a crouching deference and contemptible self-seeking for the future world, as to lead to a quietistic resignation and acceptance of existing causes of social exploitation and degeneracy, as if these were drill-master training methods of the benign ruler of the universe.

In sum, so far as these partial idealisms are merely reflexes — and they are largely so — of an equally partial philistinism, which they live on, regenerate, and yet decry, they are quite as contemptible as philistinism itself.

(b) How easy would it be to read this story in a reverse direction. One could easily take the view of man emerging from the brute, from savagery, from barbarism; it were easy to picture man's growth in intelligence, in ideality, in the purification of his ideal. One could easily sing a dithyramb, or could easily lull into torpid security with the refrain that "economics are becoming more and more a mere incident" instead of being as always heretofore a brutal necessity. Thus one could easily forget nine-tenths of the efforts of nine-tenths of present humanity, and make real ethics appear to be solely the ethics and the spirituality of that small fraction which seemingly are untrammelled by economic needs. But these lucky few can perform their feats of self-satisfying abstraction only because a crowd of toilers carry them upon their heaving, sweaty backs. It were easy to sing a paean to the power of the mind — a paean too, which should express real truth. The world has an abundance of such paeans. Just for that reason it is perhaps well occasionally to indicate excesses in the representation.

(c) Is there not left enough life for spirituality to find room for employment? Is there no place for high ambition, for poetry, for heroic self-devotion, for self-realization, and self-sacrifice

in that nine-tenths of the efforts of nine-tenths of humanity! Bread and butter existence versus the amenities, the graciousness, the exaltations of a spiritual life — is there no room for endeavor to diffuse these amenities, this graciousness, this spiritual exaltation among the nine-tenths? Not as the slave-master diffuses physical welfare among his slaves, and all the while carefully inculcates slave psychology. No, nothing like this. Not that charity which ignobles both giver and receiver. Not that complacency, that efflux of unconscious pride and vanity which causes the giver to imagine himself free from necessities, and which condemns receiver into beggar, parasite, underling, and mental slave. Do not fear that you are deprived of fighting ground for your whole armory of spirituality, culture, and amenities. Spread them abroad with a full hand.— How? Why, by generating a society in which economics, while never on this earth ceasing to deal with primary requisites, shall yet cease to be that war of each against all which brutalizes by tyranny and slavery. In this one sphere there is room for all the ideality that any reformer can muster up. Cease from the tale of pious resignation. Cease from that sluggishness of reason which makes the Deity the cause of woe. Cease to preach that the slavery, the degradation, the untoward lot of the poor is the mysterious decree of a benevolent providence. Cease from pietistic fatalism. Abolish slave psychology. Recognize that social relations result from the interaction of material and mental forces.

Accordingly there is no lack of room for any one to cherish, to develop, and to carry out an ideal to the full. The only question is what ideal to cherish and to develop. Look around you. You see what life is or may be. For a healthful person with an abundance of means, the world is truly a pleasant place. If you can shut your eyes to the misery round about you, if you sear your conscience, that is, blunt your sympathy to such a degree as to say — "It is not my fault, I can not help it, I am not my brother's keeper"— then indeed you with an abundance of means have the key to all earthly happiness. The world with all its magnificent beauties and

grandeurs is before you. For you Yosemites, Himalayes. the towering mountains with their abrupt precipices, huge shoulders and massive buttresses may roll on and up beyond the clouds. From vantage points you may view the world. Or you may seek the wildness of the forest, you may traverse the Amazon, that wonderful tropical forest semi-continental in magnitude. Or there is the sea with all its power and grandeur, its magic and its mystery. There are the polar regions, and the kingdoms of the air. Or again there is science, art, religion, social labor. Or still again there are the pleasures which may come to your so-called lower senses. With means at hand all lie open to you. Nature, art, and lower humanity with its necessities and slave psychology, all will minister to you with flowing hands. Truely for the wealthy the world may be a pleasant place. But for the great multitude it is first a Gethsemane and then a Golgotha, tears of blood and unfulfilled desires of the spirit and then a crucifixion upon the wheels of physical necessities and social regulations.

For the nine-tenths of humanity the only helpful creed is social solidarity. The gospel of undiluted individualism has had its day. It has for the masses of mankind nothing much above disguised slavery. Social solidarity, class consciousness, these are the words. You hear much preaching against this class consciousness. But such is the weakness of men as individuals, that for the propertyless worker, class union seems his only resource. Social regulations to-day are dominated by property ideas. The main force of our law is to guard property, not to conserve or to develop the individual man. Almost automatically the law is against the propertyless for the property holder. Accordingly only by conscious recognition of their weakness when alone, of their strength when united, can the workers of the world determine their own destinies. This class consciousness means simply,— that society should be so organized that the genuine workers should come into the full product of their labor, that the idlers and the parasites should be shut out, that utility should be the basis of pro-

duction, and that culture and refinement should be within the reach of all. So understood, this creed contains all the possibilities that any reformer or revolutionary can rationally desire. Until it be exhausted, one needs not complain of the flatness or spiritual deadness of life.

Solve the economic problem in the way of extending and deepening the flow of the waters of the present life. There is enough and more than enough to do in this line. Care for the other life is but a shallowness, a lazy flight into the inaccessible. The simple proposition is, fashion your ideal aright. Plant your flag in this world. Here is where the misery, the pain, and the struggle are actually known to exist. Let your religion, your art, your culture, your science, your ethics recognize this as the real fact. Clean up this spot. The future world may be cared for when you reach its portal. Let your religion and culture drive to the spiritualization of this earthly realm. Heaven may collect what inhabitants it can. It does not concern you. The center of gravity for you and for your ethics is this present little earth.

DEFINITIONS OF ETHICS AND ECONOMIC DETERMINISM

Perhaps this entire discussion might profitably end by indicating more clearly what ethics and economic determinism are conceived or defined here to be. By ethics is meant first those acts, usages, and customs, personal and social, which tend to the health and the preservation of the social and national life. The customs are objective and the consequences are the ultimate tests. Personal ethics are significant so far as the individual is necessary for the tribe or nation. Society raises its ethics so far as it extends, widens, and deepens individual and social life. Ethics again from being external become internal by training and education. Society is interested in having its members accept willingly its social rules. Hence a person's inner character is in a sense more important than mere conformity with external rules. If a person willingly identifies himself with social requirements, that is, voluntarily seeks the social good, he needs no social

constraint. Those who must have social force applied to them are foreign bodies in the political organism, they are in it but not of it. Hence jails and the gallows. Ethics become inward explains why with some the motive or the intention is taken as the essence of morality. A willing internal obedience is better than external constraint. From good intentions and motives, there results in the long run less harm than good. Society goes along more smoothly and economically and is therefore interested in furthering this inwardness.

But amid such conceptions of ethics as these, room can no longer be found for "absolutes" of any kind regarded as real things. One should no longer put forth such a commixture of the schematic and the real as 'a proportional division of an economic product among laborers, enterprizers and capitalists might with "absolute social justice" decree worse poverty than now exists.' (Prof. Carver; N. Y. Times, 3/24/13.) In the above we have the reappearance of another "pure science" schematic variant, which at bottom merely posits as a scientific test, a law so fashioned as to approximate the divisional returns which actually obtain in the present form of the concrete struggle. Hence an "absolute social justice" gets birth. We have already fully enough indicated on pp. 73, 84, 87, 89, 212 and elsewhere the principles involved here; a detail examination would yield only such conclusions as are found in Chapters III, IV, V. "Absolute social justice"—one must smile at such swelling expressions. When a professional economist begins to talk of "absolute social justice," one is tempted from the long line of such bourgeois teachings to say, surely a dusky comicality is in his immediate neighborhood.

For similar reasons again, ideal ethics are on the whole to be preferred to real ethics. In the long run it is much better for the welfare of race or nation that ideals be born, grow, and pass into realization; progress lies in this direction, social stagnation and death in the other. But the ideal shall at no time lose sight of the primary demands of a spiritual life, namely, the satisfaction of physical needs here on this earth

and access to the means and sources of culture. You would think from a Kant or a Greene or from religionists in general, that mind or spirit can continuously disregard or despise the bodily. And like a marginal utility economist, such writers revel in the exceptional moments and experiences of life, as if the pendulum could continue to swing and yet be forever at its maximum ascent. Or the spiritual philosopher will tell you that spiritual ethics presuppose the physical demands as satisfied or controlled in this life and disposed of in the next; whereas in actual fact you find them largely disposed of in this life for nine-tenths of humanity, and an equivalent Kant-wise presupposed for the next. It is precisely this severance of the schematic abstract from the real and the turning of it into a quasi independent entity, which have ever constituted the theoretical defense of every kind of established custom become at length an abuse — slavery, serfdom, caste systems, nobilities, exploitation of every sort.

But in the long run, the long-run objective gets in its work. Hence too in the world-commerce of to-day, the extension of the ethical ideal to the entire human race. As the horde expanded into clan, into tribe, into nation, so now nation tends to expand into world-wide connections. Thus the international character of commerce and industry has begotten the international solidarity of labor, at least in idea. Socialistic ethics represents the highest flight of concrete human ethics. Its class consciousness, however vague, presents an ideal whose realization, however remote, or as some think, however practically impossible, would be its own annihilation; that is, the word class in its present economic sense would be abolished; there would result the federation and solidarity of all humanity in giving to each and every individual co-operative aid for the realization of all human possibilities which tend to a heightened individual and social life. This it would accomplish by attending to the economic relations of mankind. An ideal more genuine than this, which bases itself upon realities, not upon religious constructions which place the center of gravity of this life in another world, one can

hardly conceive, any more than one can conceive in constructing a human habitation what purpose would be served by referring its structural center of gravity to that of the solar system, or still more to the center of gravity of the stellar universe.

Similarly economic determinism does not mean merely the dominance of the direct money-motive, or the narrow conception of the production and distribution of material goods in the present decade in a small portion of the inhabited world. It does mean the dominance of the external and objective over the internal and subjective. Physics and physiology precede psychology. Social evolution and hence psychological evolution rests upon material substructures. Just as words are the fortresses of mental conquests, and garrisons are needed to hold a conquered territory, so culture gains can be permanently held only through appropriate changes of material bases. One story of the building finished, as it were, — natural resources, the tools and implements, the population inner and outer being what they are — then in conformity therewith exists a social organization and psychology which seeks to exploit the surroundings to its own advantage. On this level of progress the infinitely complex possibilities of human nature get some sort of opportunity for expression; the variety is enormous, but as mass phenomena some possibilities are as incapable of existing as a Beethoven or a Wagner where no musical instruments exist; the instruments develop the musician quite as much as the musician develops the instruments; only through improved instruments and material means of recording can the musician achieve and secure a permanent advance. On the finished story an immense variety of forces play, constructing all sorts of pleasant compartments out of the supplies physical and spiritual which are at hand; these are the arts, sciences, beliefs, dogmas and religions appropriate to the material progress. Occasionally a new implement or useful substance is found, or a new mode of organization which yields greater objective results, or a new external force physical or social bursts upon the busy place.

Straightway begins a transformation; the old compartments break down, new ones arise, or in place of the old structure another gradually shapes itself; the fresh material refits the old to itself or even casts it completely aside; the old generation or generations, whose psychology is not advanced enough or pliable enough to welcome the change, fight on under the time-honored banners, sound the customary magic-working war cries, but all in vain. The new tool creates its own psychology, its appropriate emotional calls and formulas. Natural selection weeds out the old and fits in the new. Objective elements have conquered, and have molded social psychology in conformity with themselves. "The conversion of thermal energy into mechanical energy, first practically effected by the invention and perfection of the steam engine, has brought about in a single century more permanent change in the manner of living, and even in the habits of thought of the inhabitants of the world, than any combination of political, social, or personal influences could have effected. It is the mastery of man over nature, as represented by matter and energy, rather than that of one man over another, or of one race over another, to which histories give such exaggerated predominance, which underlies progress" (Soddy; "Matter and Energy," p. 240).

To some, this use of the term "economic" may seem an undue extension of the word. It answers to the Marx-Engels' expression, "the materialistic conception of history," which term however is open to the objection that it too strongly conceals the relative independence and the initiative of the mental or physic factor in social evolution. This is not the place to attempt to evaluate accurately each factor of the complex objective antecedents — climate, natural fertility and resources, instruments, machines, processes, the derivative and reacting individual and racial psychology, social combinations and organizations. Suffice that though the general formula, "the objective dominates the subjective," may easily sink to the worth of a barren truism, the emphasis thrown upon the word "economic" indicates that social amelioration is to be

sought not in the preaching of merely abstract ethical and religious principles — usually derived from and reflecting an antiquated economic status and misapplied to the new conditions — but in putting power at the right point, namely, the material economic connections of the individual and of society. Change these, wait patiently on natural selection, and the desired result will surely follow; or better said, use the reason that can foresee the effects of nature's processes, and with clear intention further the inevitable outcome.

INDEX

Absolute ethics, 37, 42, 49, 54, 90; rights' illusion, 102; "social justice," 369.
"Abstinence," theory of interest, 194.
"Accumulated Labor," theory of interest, 197.
Actual exchanges, 205.
Addition, 299.
Advance of capital, 116.
Aherns, 26.
"Alice in Wonderland," 36.
Alternative uses of goods, 231.
Altruism, 46, 53, 55, 336.
Antiquity of man, 2.
Approximation methods, 84.
Apriorism, 245 ff; general reply to, 247; ethical, impossible, 305; failure of, 304.
Aquinas, 47, 55.
Aristotle, 54, 173, 364.
Astronomy, 290, 295; three bodies, 129.
Austrian interest, 136 ff.
Averages, 126.
Axioms and postulates, 297.

Barker, 104.
Bastiat, 331.
"Beatific vision," 347, 349.
Beaulieu, 104 ff.
Benevolence, 333.
Bentham, 27.
Bergson, 305.
Blackstone, 25, 320.
Boehm-Bawerk, 133 ff; 142 ff; 160 ff; 184.
Boole, 303.
Bossuet, 27.
Bucher, 170.
Caird, 307.
Capital, advance of, 116; as economic category, 110; decay, 107; goods, 89; pure, 65, 89.
Capitalism, as survival of fittest, 119.
Capitalist, 203, 213; function of pure, 113; not enterprizer, 120; illusions, 214 ff.
Carver, 369.
Causality, 292.
Causation, economic, 70 ff; physical, 74 ff.
Cause of interest, 173; productive process, 172; pure time-preference, 176; psychological, 155; of wages, profit, interest, 183 ff.
Causes of institutions, 152.
Charity, 137, 333.
Chastity, 335.
Children, 167 ff.
Clark, 60 ff; ethical problem of, 60; economic problem, 64; economic causation, 70, 78 ff; as economist, 99; ethics relative, 130.
Class consciousness, 48 ff; 367; struggle, 48 ff.
Clifford, 258.
Colonial wars, 17.
Common man and moral legislation, 270.
Confusions: economic, 74 ff; physical and social, 74; mathematical, 77; psychological, 86; legal and real, 89; absolute ethics, 90; static state, 91; ethical, 99.
Consistency, 292 ff.

Constitution, U. S., 16.
Consumer's value, 229.
Contract, 26, 324.
Copernican astronomy, 290.
Courage, 335.
Cousin, 26.
Create, 108.
Creationism, 99 ff; not final, 202.
"Creative Evolution," 305.
Credit operations, 118.
Critical principles, scientific, 29.
"Critique of Political Economy," 10.
"Critique of Pure Reason," 35, 282.
"Critique of Practical Reason," 284.
Culture and external resources, 310 ff.
Cyclic character of nature as cause, 149.

Declaration of Independence, 14.
Deity, 32; Greek and Roman, 32; as ideal, 34 ff.
Dependable regularity, 292 ff.
Derived values, 237.
Desert, 331.
Displaced Labor, theory of interest, 194.
Distribution, functional or group, 123.
"Distribution of Wealth," 60 ff.
Divine guidance, theory of history, 3; sanction is unscientific, 31 ff; and a soporific, 35.
Duty: good will acts from, 253; is respect for law, 262; law of, is universal, 264.

Economic causation, 70 ff; 78 ff; confusions, 74.
Economic determinism: 1 ff; and ethics, 310 ff; and music, 352; and other modes of consciousness, 350 ff; and religion, 356; and science, 356; and socialism, 19; definition of, 10, 315, 370 ff; not narrow economic, 21, 315; not anti-religious, 13, 28; source-books for, 13, 335.
Economics of production, 27; how become ethics, 338 ff.
Economists, muddled expressions of, 103.
Economy, national exchange, 115.
Egoism and altrusim, 46, 55.
"Empire of right," 39 ff.
Empiricism, 319.
Encyclical on labor, 38, 105, 111.
Engels, 13, 59.
English Board of Trade report, 161.
Enterprizer, 120, 142, 203, 211, 212; suicide of, 128.
Equality, 201, 323.
"Equals of equals," 298.
Ethical purification, 123 ff; status of interest, 171, 187; other systems, 307, 346.
Ethics and economic determinism, 310 ff; and food, clothing and shelter, 314; definitions of, 368; precivilized, 316 ff.
Evolution, American industrial, 127.
Exchange, actual, 205; schematic, 204, 206; theories of interest, 204; general, older school, 204; Austrian, 206.
Exclusive ownership, 201.
Exploitation, 203, 208, 209, 213, 237; Fisher on, 180; replies to, "full pay," 209; marginal utility reply, 217.
Expropriation, 104.

"Facts," 289.
"Fairness," 88, 93, 97, 205, 212.
Family development, 337.
"Fancies," 223.
Farm illustration, 68, 75.
Fetter, 161, 162.
Fichte, 26.
Filial love, 336.

"Finalities," 36 ff; 288, 307; religious, 308.
Fisher, 139 ff; 162 ff; 180, 184.
Fitness, 332.
Food, clothing, shelter, 312.
Freedom, 329, 330; of will and morality, 281; God and immortality, 287, 306.
"Fructification," theory of interest, 191.
"Full pay," 209 ff.

Geometry, 300.
God, freedom and immortality, 285, 306.
Good will acts from duty, 253.
Great men, theory of history, 9.
Greene, 307, 335.
Group distribution, 123.

Habit as cause of interest, 149.
Hamilton's report, 15.
Hegel, 7.
History, American: Constitution, 16; Declaration of Independence, 14; Hamilton's report, 15; recent, 16; representative democracy, 17; Resolutions of 1787, 19; Revolution, 16; slavery question, 15; Spanish-American war, 16.
History answers Clark, 127; extent of records, 2; Magna Charta, 14; Jewish theocracy, 4; theories of, 3; loan interest, 170.
Hobbes, 26.
Hyde, 38.

Ideals, 21, 39, 133, 326, 363.
Ideal states, 327.
Illustration, farm, 68; industrial world, 69.
Immortality, God, freedom, 285.
Immutable truths, 36 ff; 292 ff.
Imputationism, 99 ff; 130, 191 ff.
Imputed values, 230.
Income, qualities as cause of interest, 149.
Individualism, 41, 220 ff.
Independent producer, 68.
Inheritances, 104.
Institutional robbery, 61, 100, 107; test, 61, 108; and social spenders, 114; and social stimulus, 115.
Institutional, theory of history, 8.
Interest, efficient cause of, 182 ff; in labor state, 122; is institutional robbery, 109; loan, history of, 170; meanings of, 157; net, 142; question, 137 ff; rate and profit rate, 174; real, 189; theories of, older, 191 ff; exchange theories, 149, 204; productivity theory of, 57 ff.
"Intuition" useless, 35.
Inverse problems, 67.

Juristic concept of property, 25.
Justice, 320 ff; "absolute social," 369.

Kant, 30, 35, 252 ff, 347; economic basis of, 251; personality, 245.
Kelley, 161.
Khammurabi, 321, 333, 341, 359.

Labor, 27, 49, 116, 216; pure power, 65; state, 120, 211, 234; values, 233, 237.
Landed aristocracy, 18.
Laveleye, 25, 39.
Law and government, 27, 49.
"Laws of wages," 95, 237.
Leo XIII, 38, 47, 98, 105, 111, 317, 319.
Lex talionis, 332.
Life, absolute right of 44; insurance, 225.
Locating margins, 69, 72, 91.
Locke, 27.
Logic, 36, 303.

Loria, 13.
Louis of Poissy, 359.
Love of offspring as cause of interest, 149.
Luxuries, 223.

Machine-made ethics, 102, 105.
Magna Charta, 14.
Malthus, 318.
Man, antiquity, 2; cause of social evolution, 49 ff.
Marginal utility: criticism of, 218; reply, 217.
Margins, locating, 69, 72, 91.
Marriage, 153.
Marshall, 231, 315.
Marx, 10, 19, 28, 59.
Mathematics, 36, 297 ff.
Matriarchy, 316, 318.
"Matter and Energy," 372.
Maynz, 27.
Maxim of will, 260; is universal, 264.
Means and ends, 360.
Metaphysic, transition to, 271, 290.
"Methods of Ethics," 319 ff.
Mill, 28.
Mind, apart from body, 51, 247.
Monopolies, 226.
Monotony in labor state, 234.
Moore, 95, 237.
Morality and freedom, 275, 281; intra-tribal, extra-tribal, 269; legislation by common man, 270; principles of, 275; rests on maxim of will, 260.
Moral law and psychology, 284, 306.
Morris, 7.
Mosaic code, 172, 188, 330, 333, 341, 358.
Muddled expressions of economists, 103.
Music, 352.
Mystic, 347, 349.

Natural law of distribution, 66, 100; necessities confused, 150; and marriage, 153; and private property, 153; rights, 26, 42, 102, 328; right of life, 44 ff.
Necessity of capitalist, 90, 110 ff; 116.
Necessities and subjective values, 232; confused, 150; immutable, 36, 292 ff; legal and real, 89, 111, 116; natural, 151.
N. Y. Times, 161, 369.

Objective versus subjective, 222 ff; 312, 370 ff.
"Occupation," 26, 48.
"Ode to Duty," 364.
Origin of ethical finalities, 288 ff.

Patriotism, 318.
Philippovich, 115.
Philistinism, 364, 365.
Plato, 54, 364.
Poincare, 305.
Porter, 307.
Precivilized ethics, 316.
Primitive law of distribution, 101; man and tool, 102.
"Primitive Property," 25 ff.
"Principles of Jurisprudence," 287.
Problems, inverse, 67; pure science, 73.
Producer independent, 68.
Production ruling consumption, 227.
Productivity theories, 57, 74, 77.
Profit rate and interest rate, 174.
Progress and enterprizer, 211.
"Prolegomena to Ethics," 335.
Promises, Kant on, 266 ff; 279.
Property, theories of, 25 ff; stimulus to crime, 122.
Prostitution, 169, 215.
Provision for the future, 146, 160.
Psychology in molding, 164, 167; individualistic, 220 ff; of profit and interest, 185; negro, 162, 163; slave, 165, 214; cause of interest, 155.

Ptolemaic astronomy, 290.
"Pure reason," 245 ff.
Ptah-hotep, 341.
Purification, ethical by abstractions, 125; by mathematics, 126.

Reason abstracting, 338 ff; pure, 245 ff.
Religion, 316; and economic determinism, 356.
Religious finalities, 308; idealism, 365.
Representative democracy, 17.
Report, English Board of Trade, 161; Hamilton's, 15.
Reservoir systems, 228.
Resolutions of 1787, 19.
Revelation of property, direct, 32; indirect, 33.
Revolution, American, 16; English Industrial, 127.
Robbery, institutional, 61, 107 ff.
Rogers, 13.
Roman Catholic church, 38, 54, 347, 359; divines, 47, 172.
Roscher, 28.
Rousseau, 26.

"Sacred books," 39.
"Sacrifice," 323.
Scales, 88, 93, 97, 161, 205, 212.
Schemata, 36, 132, 134, 272, 289 ff; not real drivers, 346.
Science and economic determinism, 356; and finalities, 37; approximation methods, 84; is economical, 30; is of the real, 29; is predictive, 31.
"Science and Hypotheses," 305.
Sciences are facts plus formulas, 289.
Scientific law of wages, 66.
"Scientific Socialism" and economic determinism, 19.
Shells, 38, 39.
Sidgwick, 319 ff.
Simons, 13.
Slavery, 15, 18, 54, 98.
Slave psychology, 165, 214.
Smith, Adam, 27, 184.
"Social contract," 26, 49.
Social evolution, 13, 49, 337; labor state, 120, 234; self, 258, 264, 281, 313; spenders test, 114; stimulus, 115; tissue, 258.
"Socially guaranteed," 199 ff.
Socialism, 19, 54, 180; monotony of, 234; refutations of, 236.
Soddy, 372.
Source-books for economic determinism, 13, 335.
Space conceptual and perceptual, 300 ff.
Spanish-American war, 16.
"Specific products," 71 ff; 77.
Spencer, 258, 319.
Stallo, 305.
"Static State," 66, 91.
Staples, 223.
Stephens, 258.
Steuart, 184.
Storage systems, 228.
Subjective versus objective, 222 ff; 312, 370 ff; values and necessities, 232.
Substitution of similars, 231.
Suicide, Kant on, 276 ff; of enterprizer, 128.

Taft, 92.
Tariff, 18.
Taussig, 161, 168, 170, 184, 221.
Technical superiority of present goods, 147, 166.
Temperance, 335, 342.
Tennyson, 6.
Tests, economic, 61, 99, 108, 114, 115; of morality, effects, 99, 108, 202, 261, 368; university of moral maxim, 264 ff; of reality, 30, 34; of science, 29 ff.

Theories of history, 3; of interest, 57, 149, 191, 204.
Three bodies problem, 129.
Time as cause, 154, 186, 207; preference, 143; pure time-preference, 176.
Transcendentalism, 319.
Tribal self, 258.
Truthfulness, 266 ff; 335.

Ultra-individualism, 41, 220 ff.
Underestimate of the future, 144, 160.
Unit, 299.
Units, artithmetical and social, 77 ff.
"Use" theory of interest, 197.
Uses, alternative of goods, 231.

Value, foundation of, 143 ff; 217 ff; productive theory of, 77.
Values consumer's, 229; derived, 230; fad, 222; impersonal, 221; imputed, 230; labor, 233; market, 221; normal, 221; objective, 225, 233, 238; rationalized, 223; subjective, 139 ff; rest on material and psychological necessities, 232.
"Voice of God," 348, 349.

Wages, "scientific law of," 66; scales, 88, 97, 161, 205, 212.
"Waiting" theory of interest, 198.
War, 45.
Westermarck, 319, 335 ff.
Will, good acts from duty, 253; freedom of and morality, 281; maxim of is universal, 264; morality rests on maxim of, 260.
Wills, 104.
Wordsworth, 364.
Work, 27, 49, 116.
"World Almanac," 161, 223.
World markets, 227, 229.
Worlds, subjective and objective, 288.

LIBRARY OF CONGRESS
0 011 891 078 3